



Foreign Affairs and
International Trade Canada

Affaires étrangères et
Commerce international Canada



Foreign Affairs and International Trade Canada

Departmental Performance Report 2010-11

The Honourable Edward Fast
Minister for International Trade

The Honourable John Baird
Minister of Foreign Affairs

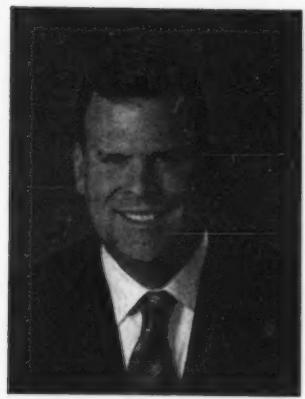
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Ministers' Message



The Honourable Edward Fast
Minister for International Trade



The Honourable John Baird
Minister of Foreign Affairs

We are pleased to present the *Departmental Performance Report 2010-11* for Foreign Affairs and International Trade Canada (DFAIT). It chronicles the department's wide range of achievements in the foreign policy and international trade portfolio over the past year.

Sustaining Canada's economic recovery from the recession of 2008-09 remains the government's top priority. Through implementation of the Global Commerce Strategy, DFAIT continued to promote Canadian business interests in priority markets and attract foreign investment to Canada.

To lay the foundations for Canada's future prosperity, trade liberalization was pursued with a range of countries in Europe, the Americas and Asia, including ongoing negotiations with the European Union and the launch of free trade talks with India. Canada was the first G-7 country to recover employment lost during the economic crisis—helped in large part by a solid rebound in exports of goods and services.

Canada hosted the G-8 and G-20 summits, which focussed on the economic recovery and generated \$7.3 billion in support for the Muskoka Initiative on Maternal, Newborn and Child Health.

In Afghanistan, the department continued to contribute to Canada's multifaceted mission, while refocusing efforts for the 2011-14 period. DFAIT also helped frame Canada's response to the opportunities and risks posed by the emergence of democratic movements in the Middle East and North Africa.

Closer to home, DFAIT reinforced the Canada-U.S. relationship through its support for new initiatives such as regulatory reform to reduce trade barriers and efforts to address competitiveness and security issues at the border through the Shared Vision for Perimeter Security and Economic Competitiveness. Canada's engagement in the Americas was deepened through six visits by DFAIT ministers and 23 visits by ministers of partner departments within the region.

Canada's Arctic Foreign Policy Statement in August 2010 advanced the four pillars of Canada's Northern Strategy: exercising sovereignty, promoting economic and social development, protecting the environment, and providing Northerners with more control over their economic and political destiny.

Operationally, DFAIT coordinated Canada's contributions to reconstruction efforts in Haiti after the January 2010 earthquake, humanitarian relief in Pakistan following the summer floods of 2010, as well as emergency assistance for Japan after the 2011 earthquake and tsunami. It also provided consular assistance to Canadians in the face of emergency situations in Pakistan, the Middle East and North Africa.

To find out more about the department and its achievements, we invite you to visit the [DFAIT website](http://www.international.gc.ca).¹

¹ www.international.gc.ca

Section 1: Organizational Overview

1.1 Raison d'être

DFAIT is responsible for the conduct of Canada's international affairs, including international trade and commerce. It advances Canada's interests internationally, shapes Canada's responses to international issues and events, manages bilateral and multilateral relationships and delivers programs worldwide. It provides commercial, consular and passport services to Canadians at home and abroad and manages Canada's global network of missions in 106 countries, which serves as the Government of Canada's international platform.

1.2 Responsibilities

The department's mandate is set out in the Department of Foreign Affairs and International Trade Act and can be summarized as follows:

- conduct all official diplomatic communications and negotiations between the Government of Canada and other countries and international organizations;
- coordinate Canada's economic relations and promote Canadian international trade and commerce; and
- manage Canada's diplomatic and consular missions and services abroad, including the administration of the Canadian Foreign Service.

To protect Canadians and advance Canada's priorities and interests abroad, the department delivers programs in support of peace and security, democracy, human rights and the rule of law, and provides whole-of-government coordination in response to international crises and natural disasters abroad.

DFAIT generates international opportunities for Canadian business by negotiating agreements to open and expand markets, facilitating two-way trade and investment, and encouraging innovation through international science and technology partnerships.

1.3 Strategic Outcomes and Program Activity Architecture



1.4 Organizational Priorities: Results for 2010-11

The following section provides a summary of the department's results against its 2010-11 operational and management priorities.

Operational Priorities

Priority 1: Greater economic opportunity for Canada, with a focus on growing/emerging markets	Type: Ongoing	Link to Strategic Outcome: SO 1: Canada's International Agenda; SO 2: International Services for Canadians
Status²: Met all		
DFAIT contributed to Canada's economic recovery and enhanced international opportunities for Canadian business through continued implementation of its Global Commerce Strategy, with a particular focus on growing and emerging markets.		
DFAIT facilitated 145 foreign direct investments (initial investments and expansion of existing investments) into Canada in 2010-11, a 35-percent increase over the previous year. Overall, the number of clients served by the Trade Commissioner Service increased slightly from 2009-10, with 13,449 clients served, and the number of services delivered increased by 14%. Within North America, trade commissioners delivered over 9,000 services (an increase of 40 percent from 2009-10).		
Free trade negotiations were launched with India in fall 2010 following a joint study that indicated that freer trade with India could boost Canada's economy by \$6 billion and increase bilateral trade by 50 percent.		
Canada and China signed several economic cooperation agreements in June 2010, including an agreement to reopen the Chinese market to Canadian beef and an agreement on travel and tourism.		
Through the Asia-Pacific Gateway and Corridor Initiative, the department increased awareness overseas of the advantages of Canada's transportation network, which included leading about 50 percent of targeted users to initiate or expand their use of Canadian ports.		
Substantial progress was made in negotiations with the European Union on a comprehensive economic and trade agreement.		
DFAIT signed a free trade agreement with Panama and launched new free trade negotiations with Morocco, Honduras and Ukraine.		
Negotiations and ratification procedures for foreign investment promotion and protection agreements continued with 12 countries, and new or expanded air services agreements were concluded with seven states.		
The International Science and Technology Partnerships Program promoted collaborative research, development and commercialization activities with India, China, Brazil and Israel. Two new collaborative science and technology agreements were reached with the European Union and Japan.		
DFAIT worked bilaterally and multilaterally to resist protectionism. Within the G-20 and Asia-Pacific Economic Cooperation forum, the department advocated measures to strengthen the international financial system, promote sustainable growth, cooperate on structural reform and refrain from imposing new export restrictions.		
To increase Canada's commercial presence abroad, DFAIT opened a new trade-focussed mission in Istanbul (Turkey). In addition, the department moved its mission in Kazakhstan from Almaty to Astana to better serve clients, and established additional trade-focused representatives in six new offices of the Canadian Commercial Corporation that were opened in China.		

² **Exceeded:** More than 100% of the expected level of performance; **Met all:** 100% of the expected level of performance; **Mostly met:** 80% to 99% of the expected level of performance; **Somewhat met:** 60 to 79% of the expected level of performance; **Not met:** Less than 60% of the expected level of performance.

Priority 2: United States and the Americas	Type: Ongoing	Link to Strategic Outcome: SO 1: Canada's International Agenda
Status: Mostly met		
<p>Focused engagement with the United States on a range of trade, security, energy and environmental issues remained a priority for DFAIT over the past year.</p>		
<p>In February 2011, Canada and the United States launched <i>Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness</i>, establishing a new bilateral framework to address security issues while supporting job creation and economic prosperity.</p>		
<p>Advocacy on behalf of Canadian interests resulted in the enactment of the February 2010 Canada-U.S. Government Procurement Agreement, which enabled Canadian companies to participate in U.S. infrastructure projects financed under the American Recovery and Reinvestment Act.</p>		
<p>A Canada-U.S. Regulatory Cooperation Council was established in February 2011 to increase regulatory transparency and further reduce barriers to bilateral trade.</p>		
<p>A number of Canada-U.S. transboundary water issues were addressed, including the resolution of the Flathead River Basin issue.</p>		
<p>Mexican President Felipe Calderón's visit to Canada in May 2010 launched several bilateral initiatives on air transport, youth and anti-crime capacity building.</p>		
<p>Canada hosted the North American Foreign Ministers Meeting in December 2010, enhancing trilateral cooperation on issues such as Central American security, support to Haiti, competitiveness, and energy and the environment.</p>		
<p>The department continued to deepen Canada's whole-of-government engagement with the Americas, supporting six visits by DFAIT ministers and 23 visits by ministers of other federal departments.</p>		
<p>Support was provided to democracy initiatives and capacity-building projects focused on the rule of law and enhancing security in Mexico and Central America.</p>		
<p>DFAIT worked to reinforce the Organization of American States (OAS) as a forum through which Canada promotes its hemispheric interests by supporting OAS efforts to consolidate democracy, the rule of law and regional security.</p>		
<p>Canada promoted corporate social responsibility at the OAS in support of enhanced practices of Canadian industry and responsible development in the Americas by the private sector.</p>		
<p>The Anti-Crime Capacity Building Program provided over \$13 million to enhance the capacity of key governments and international organizations to prevent and respond to threats posed by transnational criminal activity in the Americas, with a focus on security sector reform and crime prevention.</p>		
<p>The Canada-Brazil Framework Agreement for Cooperation on Science, Technology and Innovation entered into force in April 2010.</p>		
<p>Canada hosted the annual meeting of the Inter-American Development Bank in March 2011, using the occasion to inform Canadian business about opportunities in the region and build Canada's profile as a dynamic investment partner.</p>		
<p>While significant progress was achieved against this priority, some initiatives such as enhanced Canadian engagement with the Americas are ongoing and not completed, contributing to an overall assessment of mostly met for this priority.</p>		

Priority 3: Afghanistan, including in the context of neighbouring countries	Type: Ongoing	Link to Strategic Outcome: SO 1: Canada's International Agenda; SO 2: International Services for Canadians; SO 3: Canada's International Platform
Status: Met all		
<p>DFAIT made significant progress in supporting the Afghan mission over the past year, as the mission met and completed, on schedule, training and infrastructure projects in the policing, justice and corrections sector.</p> <p>National and provincial Afghan government initiatives to encourage political reconciliation were actively supported by the department.</p> <p>Canada facilitated the Afghanistan-Pakistan Cooperation Process (formerly the Dubai Process), which yielded a cross-border dialogue and management agreement to coordinate infrastructure plans at key crossings and conduct reciprocal visits and joint training in order to share best practices and build relationships.</p> <p>In preparation for the transition of Canada's mission in Afghanistan in 2011, DFAIT helped develop an integrated strategy for Canada's priorities over the next three years, which will focus on four key themes:</p> <ul style="list-style-type: none"> • investing in the future of Afghan children and youth through development programming in education and health, and improving the lives of Afghans, especially women and children; • advancing security, the rule of law and human rights, including the provision of up to 950 military trainers, their support personnel and approximately 45 Canadian civilian police to support and train Afghan National Security Forces; • promoting regional diplomacy; and • supporting the delivery of humanitarian assistance. <p>Through NATO civil administration initiatives, DFAIT contributed to the development of a strategy for the transition of responsibility for security in Afghanistan to Afghan control by 2014.</p>		

Priority 4: Asserting Canadian leadership in emerging global governance	Type: New	Link to Strategic Outcome: SO 1: Canada's International Agenda; SO 2: International Services for Canadians
Status: Mostly met		
<p>DFAIT worked to make Canada a leader in global governance through a number of significant initiatives to reform and modernize the operations of key multilateral organizations.</p> <p>Canada advocated in favour of United Nations Security Council (UNSC) effectiveness and greater representation of the UN membership by calling for the expansion of the non-permanent, elected membership of the UNSC and by arguing against an expansion of the UNSC's permanent membership.</p> <p>Within the G-8, the successful launch of the Muskoka Initiative on Maternal, Newborn and Child Health generated \$7.3 billion to improve the lives of women and children in the developing world. Canada also launched the G-8 accountability report, which set a new standard for accountability among multilateral bodies by reporting on G-8 performance in implementing development-related commitments.</p> <p>As chair of the Toronto G-20 Summit, Canada maintained the G-20 focus on reducing global economic imbalances and promoting growth, while spearheading efforts to address troubling developments in the finances of key countries in the world economy.</p> <p>To promote democracy abroad, support was provided through Rights & Democracy for an initiative to train over one hundred political bloggers and journalists from Egypt and the region—a project that would come to have a significant impact given the role of social media in the "Arab Revolts."</p> <p>Canada advocated for improvements in the human rights situations in Burma, Iran, North Korea, China, Sri Lanka, Pakistan and Vietnam, and championed a UN resolution on human rights in Iran that was passed in the UN General Assembly by the largest margin since Canada assumed leadership of this initiative in 2003.</p> <p>While Canada ran a principled campaign that received the support of a significant number of countries, it was not</p>		

successful in its bid for a non-permanent seat on the United Nations Security Council for 2011-12, contributing to the mostly met assessment for this priority

Timely and effective humanitarian response to the January 2010 Haiti earthquake continued through efforts that began last year under DFAIT's Stabilization and Reconstruction Task Force.

Canada's Arctic Foreign Policy Statement was released in August 2010, outlining how Canada will exercise sovereignty, promote economic and social development, protect the environment, and provide Northerners with more control over the economic and political future of this key region.

DFAIT worked to strengthen the capabilities of the Arctic Council. In October 2010, the five Arctic coastal states, under Canadian leadership, established the Arctic Regional Hydrographic Commission to improve understanding of the Arctic Ocean and its coastal areas.

Management Priority

Priority 5: Transforming the department	Type: Ongoing	Link to Strategic Outcome: SO 1: Canada's International Agenda; SO 2: International Services for Canadians; SO 3: Canada's International Platform
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Status: Mostly met

DFAIT is bringing to conclusion an ambitious Transformation Agenda, initiated in 2008, designed to improve DFAIT operations through enhanced policy capacities, a reinforced network of missions abroad, improved financial management and accountability, and renewed human resources.

Approximately 83 percent of 58 Transformation and New Business Model initiatives have been concluded or are progressing well toward completion, supporting the mostly met assessment for this priority. Work continues on the remainder of these projects. Additional initiatives to further improve the efficiency and effectiveness of departmental operations will be undertaken through the Deficit Reduction Action Plan.

Improvements in DFAIT's policy capacities were evident in the numerous position papers and intensive policy dialogues with diplomatic partners and stakeholders undertaken to prepare for the G-8 and G-20 summits. The enhanced policy capacities of DFAIT missions were demonstrated through the development of Canada's post-2011 Afghanistan strategy and through DFAIT's contribution to the government's response to the emergence of democratic movements in the Middle East and North Africa, including through the development of a new regional strategy that helped frame Canada's response to the "Arab Revolts."

The department continued to reinforce its platform of missions abroad and regional offices in Canada through the addition of 116 new positions in 2010-11, for a total of 243 new positions since 2009-10. The regional and horizontal policy collaboration capacities of DFAIT missions were reinforced through operations of the new Canadian International Centre for the Arctic Region in Oslo and the Andean Unit for Democratic Governance in Peru.

Financial management and accountability were improved over the past year. Business planning was more results-based with greater attention to risk management and the alignment of resources with DFAIT's core business. Accountability for results was enhanced through better alignment of business plans with the performance agreements of senior managers.

Financial controls in the department were strengthened through the implementation of a new Financial Management Adviser structure and introduction of a new salary forecasting tool.

Human resources renewal initiatives included expanded professional development opportunities for the management and consular officer cadre and a move to manage a greater percentage of DFAIT's workforce through pool management and collective staffing processes, with the aim of enhancing the flexibility of the workforce and improving capabilities to respond to work surges or shifts in departmental priorities.

1.5 Risk Analysis

Operating in an uncertain and complex international environment, DFAIT worked to actively manage its exposure to a number of significant risks over the past year. These risks and related mitigation measures were identified in DFAIT's 2010-11 Corporate Risk Profile and summarized in its *2010-11 Report on Plans and Priorities*. The following section provides an overview of these risk management strategies.

Highly volatile economic and political conditions at home and abroad

As the year began, there was a risk that the fragile international recovery from the 2009 global financial crisis might falter due to increased protectionism and rising levels of unemployment in key economies, with negative impacts upon Canada's economy. To mitigate this risk, DFAIT worked to counter protectionism and promote free trade, including during the G-8 and G-20 summits hosted by Canada in June 2010.

In keeping with the Global Commerce Strategy, Canada continued its ambitious agenda of negotiations for free trade agreements and other bilateral trade instruments, including negotiations with the European Union for a comprehensive economic and trade agreement and the launch of negotiations with India on a comprehensive economic partnership agreement. DFAIT also worked to enhance regulatory cooperation and expand trade with the United States.

The department continued to implement its Global Commerce Strategy, with a focus on emerging markets and supporting small and medium-sized Canadian businesses. It reinforced its international trade commissioner network through the addition of 40 new positions, and expanded its regional presence in key markets.

Examples of the volatile political risks facing Canada were the uprisings in the Middle East and North Africa, during which DFAIT provided intelligence and policy advice on developments in the region and used the regional mission network to deliver its political and consular responses.

Challenges in providing services to Canadian citizens abroad and protection of Government of Canada personnel, interests and assets

Conflicts and natural disasters during 2010-11 underscored the risks related to the protection of Canadians working and travelling abroad. DFAIT supported the evacuation of Canadians during the uprisings in the Middle East and North Africa and played a key role in providing assistance to those affected by the earthquakes in Japan and New Zealand as well as the flooding in Pakistan.

International developments also highlighted the importance of improving the security of the mission network. A framework on mission security management structure and responsibilities was developed, and a dedicated threat assessment unit was created in Ottawa to enhance capabilities to assess risks at missions. Additional designated security managers were also trained and deployed to higher-risk missions.

To improve the department's capabilities to manage emergencies, work began on a new Emergency Watch and Response Centre at DFAIT headquarters, and a new regional emergency support office was opened in Panama. Additional employees were trained to enhance DFAIT's crisis management surge capacity.

Erosion of human and knowledge capital

As a knowledge-based organization, DFAIT actively manages risks related to attracting and retaining a specialized workforce that includes rotational, non-rotational and locally engaged staff. DFAIT's Integrated Human Resources Plan for 2009-12 set clear recruitment and promotion objectives for the rotational workforce, which resulted in almost all rotational positions being filled. This plan also launched a community management approach for non-rotational commerce, and economics and social science services employees at headquarters to provide them with greater mobility as a retention incentive.

However, challenges remain with the recruitment and retention of skilled employees in key occupational groups such as trade policy, finance, and human resource management. Through its locally engaged staff

(LES) governance structure, DFAIT continued to develop a comprehensive LES compensation strategy and standardized human resources processes.

Challenges with human resources, and with financial and information management systems for decision making and reporting

The risks to the maintenance of high-quality information management and corporate memory were actively managed throughout 2010-11. A five-year information management strategy was developed to improve access to and preservation of corporate memory in light of dramatic growth in stored data. A corporate information management/information technology (IM/IT) investment committee was created to enhance the integrated management of all IM/IT systems.

Through its 2009 Financial Resources Management Action Plan, the department continued to improve internal controls over financial reporting. Financial processes and controls were standardized to ensure consistent budget management, enhanced salary forecasting, and improved financial resource planning practices and reporting. DFAIT's business planning processes were improved to support more effective resource allocation decisions.

Competition for resources to support departmental priorities and change management

DFAIT has been managing the risks associated with competition for resources to address departmental priorities while also supporting an aggressive change management agenda. The majority of Transformation and New Business Model initiatives are now fully implemented and have generated new savings and efficiencies.

The ability of the department to manage the financial pressures associated with these changes was improved through a number of measures, including the streamlining of DFAIT's governance structure to improve senior management oversight of planning and resource allocation.

Challenges related to external and internal communications

Maintaining coherent external and internal communications remained a challenge for the department due to the dispersed nature of the organization and its role in coordinating international responses with multiple partners. Through an outreach strategy for partners and allies, the department ensured that it coordinated messaging before making public statements.

The department also provided communications support to ministers and senior officials during international events such as the G-8 and G-20 summits. The implementation of the Transformation Communications and Engagement Strategy continued, ensuring that coherent and consistent information was provided to all employees regarding change management in the department.

1.6 Summary of Performance

2010-11 Financial Resources (\$ millions)

	Planned Spending ³	Total Authorities	Actual Spending
Foreign Affairs and International Trade Canada	3,044.8	3,122.4	2,705.1
Export Development Canada (Canada Account) ⁴	167.0	13,154.5	-1,451.5
Total	3,211.8	16,276.9	1,253.6

³ Excluding revenues credited to the vote. In certain specific situations, Parliament authorizes departments or agencies to spend revenues generated from their operations, but these revenues are not presented in the planned spending figures.

⁴ Note that EDC's figures include budgetary and non-budgetary items and that the Canada Account financial information is not included in the department's financial statements (see Financial Highlights in Section 3).

2010-11 Human Resources (FTEs)

	Planned	Actual	Difference
Foreign Affairs and International Trade Canada	13,257	13,556	299
Export Development Canada (Canada Account)	-	-	-
Total	13,257	13,556	299 ⁵

Note: Full-time equivalents (FTEs) are different from the number of departmental staff. An FTE is equivalent to a full-time worker, and an FTE of 0.5 is equivalent to one half-time worker.

Strategic Outcome 1: Canada's International Agenda

Performance Indicator	Target	2010-11 Performance
Percentage of international partners and institutions that recognize and support key Canadian positions on political and trade relations.	75%	The target was surpassed, based on achievements in multilateral forums and agreements with international partners. Key accomplishments are outlined in Section 2.1.

(\$ millions)

Program Activity	2009-10 Actual Spending	2010-11				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
1.1: International Policy Advice and Integration	156.8	212.0	215.4	281.8	226.6	A Safe and Secure World Through International Cooperation
1.2: Diplomacy and Advocacy	1,076.2	1,141.6	1,214.9	1,413.3	1,271.5	A Safe and Secure World Through International Cooperation
Total	1,233.0	1,353.6	1,430.3	1,695.1	1,498.1	

Strategic Outcome 2: International Services for Canadians

Performance Indicator	Target	2010-11 Performance
Percentage of clients who were satisfied with consular, passport and commerce services provided by the department.	70%	<ul style="list-style-type: none"> - 78% of Trade Commissioner Service client survey respondents were satisfied with services provided. - 95% of Canadians who completed the Consular Client Feedback form indicated they were satisfied with assistance provided abroad. - 96% of clients reported they were satisfied with Passport Canada's services in a 2008 survey, the last year public opinion research was undertaken. <p>Key accomplishments are outlined in Section 2.2.</p>

⁵ Surge capacity was required to host the G-8 and G-20 summits, resulting in 219 temporary FTEs under PA 1.2.

(\$ millions)

Program Activity	2009–10 Actual Spending	2010–11				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
2.1: International Commerce						
DFAIT component	232.3	235.3	248.5	180.4	178.3 ⁶	A Prosperous Canada Through Global Commerce
Export Development Canada (Canada Account) component	11,078.0	-552.0	167.0	13,154.5	-1,451.5 ⁷	
International Commerce	11,310.3	-316.7	415.5	13,334.9	-1,273.2	
2.2 Consular Affairs	55.4	56.3	69.6	63.4	54.8	A Safe and Secure World Through International Cooperation
2.3 Passport Canada	14.2	-	321.0	132.9	16.8 ⁸	A Safe and Secure World Through International Cooperation
Total	11,379.9	-260.4	806.1	13,531.2	-1,201.6	

Strategic Outcome 3: Canada's International Platform

Performance Indicator	Targ et	2010–11 Performance
Percentage of clients who responded favourably to common services they received.	75%	A 90% client satisfaction rating was achieved in relation to common services delivered in DFAIT missions. Key accomplishments are outlined in Section 2.3.

(\$ millions)

Program Activity	2009–10 Actual Spending	2010–11				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
3.1: Canada's International Platform: Support at Headquarters	370.0	322.5	356.1	343.6	309.9	A Safe and Secure World Through International Cooperation
3.2: Canada's International Platform: Support at Missions Abroad	518.5	517.5	531.9	551.5	494.6	A Safe and Secure World Through International Cooperation
Total	888.5	840.0	888.0	895.1	804.5	

⁶ The variance of \$68.1 million between planned spending (\$248.5 million) and authorities (\$180.4 million) under the International Commerce program activity was mainly due to changes in how certain commerce-related expenditures were accounted for under the department's Program Activity Architecture. These changes included a transfer of \$23 million for the Investment Cooperation Program and \$11.1 million for the Softwood Lumber Agreement funding to the Diplomacy and Advocacy program activity, and an allocation of nearly \$30 million to other program activities.

⁷ Actual spending reflects prepayments to loans as well as other regular repayments netted against a loss in foreign exchange revaluation—see information on Canada's Economic Action Plan—Canada Account, section 1.7.

⁸ In 2010-11, Passport Canada generated revenues of \$269.5 million and spent \$286.3 million to deliver its program. The net cost of the program was \$16.8 million. The total authorities of \$132.9 million were derived from a previous surplus as well as drawdown authority approved by Parliament. Passport Canada, through the revolving-fund mechanism, carries over these authorities to cover projected future deficits as well as to continue the implementation of the ePassport in 2011-12 and 2012-13.

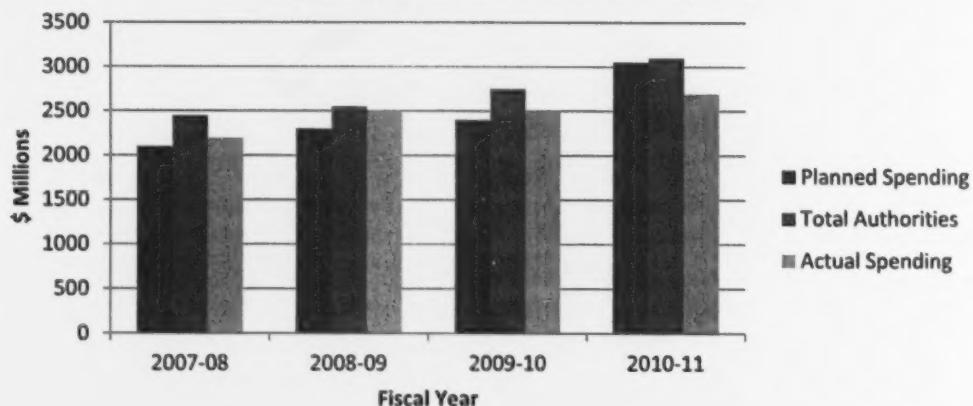
(\$ millions)

Program Activity	2009-10 Actual Spending	2010-11				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Internal Services	93.5	82.1	87.4	155.4	152.6 ⁹	Internal Services

1.7 Expenditure Profile

The graph below presents trend information on DFAIT's actual spending, planned spending and total spending authority for the fiscal years 2007-08 to 2010-11. This expenditure profile includes Passport Canada figures but excludes Export Development Canada (EDC), Canada Account.¹⁰

DFAIT Spending and Authority (Excluding EDC)



The total 2010-11 actual spending of \$2,705.1 million was fully within the total authorities granted by Parliament. Variances between planned spending and authorities were due to changes in the departmental plan, after Treasury Board approval, and for new initiatives that arose as the fiscal year unfolded. Specifically, the difference of \$77.6 million observed between the planned spending (\$3,044.8 million) and the total authority (\$3,122.4 million) comprised \$265.6 million of new funding for DFAIT, offset by a variance of \$188.1 million in Passport Canada's gross planned spending of \$321.0 million and its net unused authority of \$132.9 million.

The most significant initiatives for which DFAIT received new funding in 2010-11 were:

- \$130.7 million for the settlement of Abitibi-Bowater Inc.'s NAFTA Chapter 11 claim regarding the expropriation of assets in Newfoundland and Labrador;
- \$68.0 million for the organization of the 2010 G-8 and G-20 summits;
- \$50.3 million to support partner department employees abroad; and
- \$14.0 million to strengthen security at missions abroad.

Factors contributing to variances between the total authority and the actual spending were:

- a \$106.4-million surplus in contributions related to the reduction of Canada's share of assessed contributions to international organizations and the related foreign exchange gain;

⁹ The variance of \$65.2 million between the planned spending (\$87.4 million) and the actual spending (\$156.2 million) is mainly attributable to changes in how expenditures are accounted for under the department's PAA.

¹⁰ Figures for EDC (Canada Account) are presented in Section 1.6 (Summary of Performance) and Section 2.2.1 (International Commerce).

- a \$50.6-million surplus related to the organization of the G-8 and G-20 summits;
- a \$43.7 million surplus for the reprofiling of the relocation of the Moscow chancellery, and surpluses due to delays in the implementation of other capital projects;
- a \$40.9 million surplus in currency gains in foreign exchange operations at missions abroad;
- a \$20.4-million surplus related to other government department funding for staff abroad and delays in the timing of creating positions abroad;
- a \$14.8-million surplus in relation to softwood lumber litigation costs; and
- a \$116.1-million balance was carried over into next fiscal year through Passport Canada's revolving fund—the agency's 2010-11 financial authorities (\$132.9 million) less the actual net cost of the program (\$16.8 million).

A trend analysis reveals that the levels of spending in 2008-09 and 2009-10 were generally similar. However, in 2010-11, an increase of \$188.2 million over the previous year occurred. This increase is largely explained by new spending initiatives such as the settlement of litigation under NAFTA Chapter 11 (\$130.7 million), spending for employees abroad of other government departments (\$37.3 million), spending to address the need to strengthen security at missions abroad (\$9.2 million), and spending to assist Pakistan after the 2010 floods (\$6.2 million).

Expenditures are broken down by program activity in section 1.6, Summary of Performance.

Canada's Economic Action Plan—Canada Account

In the context of Canada's Economic Action Plan, a total of \$14.5 billion was committed by the governments of Canada and Ontario in support of the restructuring and renewal of the automotive industry in Canada.

As reported in 2009-10, a total of \$13.7 billion was disbursed (\$2.9 billion in support of Chrysler Canada and \$10.8 billion in support of General Motors of Canada). One third of this support was provided by Ontario and two thirds by Canada, via the Canada Account.

Of the \$2.9 billion provided to Chrysler through loans and notes by the governments of Canada and Ontario in April 2009, \$1.6 billion was disbursed to Chrysler Canada and \$1.3 billion was disbursed to Old Carco (Old Chrysler), which entered into bankruptcy protection. Chrysler Group LLC emerged from bankruptcy protection on June 10, 2009. On May 24, 2011, Chrysler Canada fully repaid the balance of its outstanding debt, including interest and fees. In recognition of the financial support provided, Canada and Ontario received an equity stake in Chrysler, which is currently 1.5 percent on a fully diluted basis and is held by the Canada Development Investment Corporation, a Crown corporation under the responsibility of the Minister of Finance.

All of the \$10.8 billion committed to General Motors by Canada and Ontario has been disbursed. General Motors emerged from bankruptcy protection on July 10, 2009. Canada and Ontario received a combined 11.7-percent ownership stake in the restructured General Motors, as well as US\$403 million in preferred shares. By April 20, 2010, General Motors had completed, ahead of schedule, the repayment of its entire \$1.5-billion interim loan from Canada and Ontario. The Government of Canada has begun to reduce its ownership in General Motors. In the initial public offering by General Motors in November 2010, Canada sold over 35 million shares at US\$33 per share, which resulted in gross proceeds of US\$1.15 billion. This sale reduced Canada's ownership stake in General Motors to 9.34 percent.

1.8 Estimates by Vote

For information on the department's organizational Votes and/or statutory expenditures, please see the 2010-11 Public Accounts of Canada (Volume II). An electronic version of the Public Accounts is available at Public Works and Government Services Canada's Web page, Public Accounts of Canada 2010.¹¹

¹¹ www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html

Section 2: Analysis of Program Activities by Strategic Outcome

2.1 Strategic Outcome 1: Canada's International Agenda

Description: Strategic Outcome 1 ensures that the international agenda is shaped to Canada's benefit and advantage in accordance with Canadian interests and values. It involves developing and implementing foreign affairs and international trade policies and programs to achieve Canada's broader international goals. This strategic outcome is supported by two program activities: International Policy Advice and Integration, and Diplomacy and Advocacy.

2.1.1 Program Activity 1.1: International Policy Advice and Integration

Description: This program activity provides strategic direction, intelligence and advice, including integration and coordination of Canada's foreign and international economic policies.¹²

2010-11 Financial Resources (\$ millions)

Planned Spending	Total Authorities	Actual Spending
215.4	281.8	226.6

2010-11 Human Resources (FTEs)

Planned	Actual	Difference
658	675	17

Expected Result	Performance Indicators	Targets	Performance Status
The Government of Canada has the information, intelligence and advice it needs to make informed decisions on foreign and international economic policies, programs and priorities.	Level of satisfaction of the government with the information, intelligence and advice.	Significant level of satisfaction	A significant level of satisfaction was demonstrated by the approval and use of advice provided by the department—in setting, for example, policy priorities for the G-8 and G-20 summits, the parliamentary engagement strategy for the European Union, and the whole-of-government strategy for Sudan.
	Management Accountability Framework (MAF) assessment: Area of Management (AoM) 4 (Effectiveness of Extra-Organizational Contribution) and 5 (Quality of Analysis in Treasury Board Submissions).	MAF assessment results are "acceptable" or higher.	MAF VIII, AoM 4: DFAIT received an "acceptable" rating, notwithstanding the change in the composition of this AoM. MAF VIII, AoM 5: no longer assessed by the Treasury Board Secretariat.

Performance Summary and Analysis of Program Activity

The G-8/G-20 process was supported through the provision of integrated policy advice to senior G-8 and G-20 officials. DFAIT, working with the Department of Finance, led the development of Canada's policy priorities for the G-8 and G-20 summits, including addressing global economic and financial imbalances, achieving fiscal consolidation targets, integrating international development issues into the G-20, focusing on maternal, newborn and child health, and confronting emerging security risks related to organized crime and terrorism.

¹² Full program activity descriptions are included in the [2010-11 Main Estimates](http://www.tbs-sct.gc.ca/est-pre/index-eng.asp) (www.tbs-sct.gc.ca/est-pre/index-eng.asp)

A parliamentary engagement strategy for the European Union was developed and implemented to enhance the Canada-EU relationship and advance Canadian interests, particularly in support of the Canada-EU comprehensive economic and trade agreement negotiations.

Policy work on priority issues in sub-Saharan Africa was undertaken, including:

- Creation of a framework to increase engagement between Canada and the African Union;
- development of a whole-of-government strategy for Sudan, including support for the April 2010 national election, the January 2011 referendum on South Sudan's independence, and the Darfur peace process;
- shaping Canada's response to the crisis in Côte d'Ivoire and the provision of policy advice to partner departments on humanitarian and electoral support during Niger's transitional period; and
- contributing to regional counterterrorism capacity building in the Sahel.

DFAIT provided intelligence and policy advice to frame the government's response to emerging democratic movements in the Middle East and North Africa, and developed a regional strategy to guide the government's response to the "Arab Revolts."

In preparation for the transition of Canada's mission in Afghanistan in 2011, DFAIT helped develop an integrated strategy for Canada's role over the next three years, which will focus on four key themes:

- investing in the future of Afghan children and youth through development programming in education and health, and improving the lives of Afghans, especially women and children;
- advancing security, the rule of law and human rights, including the provision of up to 950 military trainers, their support personnel and approximately 45 Canadian civilian police to support and train Afghan National Security Forces;
- promoting regional diplomacy; and
- supporting the delivery of humanitarian assistance.

The Committee of Deputy Ministers on Global Trends, Foreign Affairs and Defence, co-chaired by the Deputy Minister of Foreign Affairs, examined international trends, such as shifting global power dynamics and potential threats to international stability, and provided recommendations to improve the coherence of Canada's international relations, including recommendations related to enhanced engagement with emerging economies and adaptation to an increasingly interconnected world.

The publication of the 2010 *Canada's State of Trade and Trade Policy Research* provided solid, fact-based analysis of Canada's trade performance, which is essential to trade policy development given the rapid changes in the international economic environment. An assessment of the economic impact of the Trade Commissioner Service (TCS) found that every dollar invested in the TCS produces about \$27 in increased exports.

Lessons Learned

Recognizing the importance of the mission network, the department improved its policy capacity by enhancing the role of its missions in policy development. For example, Canadian Heads of Mission abroad provided input to departmental decision-making bodies such as the Policy and Programs Committee, which was invaluable in the lead-up to the G-8 and G-20 summits. DFAIT also applied the private sector's Open Innovation principles to its policy development process through approximately 60 outreach events, policy round tables, working group sessions, papers, reports and e-discussions.

Building on feedback from its 2010 Management Accountability Framework assessments, the department worked to improve its corporate planning and risk management functions, including greater alignment of resources with priorities and improved integration of key enabling functions into corporate planning, such as human resources and information management/information technology.

2.1.2 Program Activity 1.2: Diplomacy and Advocacy

Description: This program activity engages and influences international players and delivers international programs and diplomacy. It allows Canada to implement its international policies for foreign audiences inside and outside Canada and thus fulfill the mandated roles and responsibilities that are associated with the diplomatic work of a foreign and international trade ministry.

2010-11 Financial Resources (\$ millions)

Planned Spending	Total Authorities	Actual Spending
1,214.9	1,413.3	1,271.5

2010-11 Human Resources (FTEs)

Planned	Actual	Difference
1,592	1,824	232 ¹³

Expected Result	Performance Indicators	Targets	Performance Status and Summary
Canada's diplomatic efforts and programs engage and influence international players to protect and build support for Canadian interests and values.	Reflection of Canadian foreign and international economic policy priorities in bilateral and multilateral actions, decisions, declarations and agreements.	Significant level of support	A significant level of support for Canadian positions was evidenced in the international community—for example, by the support received for the Muskoka Initiative on Maternal, Newborn and Child Health, and the adoption of the Canada-sponsored annual Iran human rights resolution at the UN, among others. Canada was unsuccessful in its bid for a UN Security Council seat.
	Effectiveness of programs in achieving results and aligning with priorities.	Program effectiveness	All planned projects were effectively completed on or ahead of schedule.

Performance Summary and Analysis of Program Activity

Contributing to Canadian Prosperity

Consistent with DFAIT's Global Commerce Strategy, significant progress was made in negotiations toward a comprehensive economic and trade agreement with the European Union. Four rounds of negotiations were held in 2010-11 and substantial progress was achieved in each area of work.

The Canada-India Joint Study Group Report Exploring the Feasibility of a Comprehensive Economic Partnership Agreement (CEPA) was completed, and Canada and India subsequently launched CEPA negotiations in November 2010. The Joint Study Group Report concluded that freer trade could boost Canada's economy by at least \$6 billion and increase bilateral trade with India by 50 percent.

Progress continued on an ambitious program of bilateral negotiations of free trade and other economic agreements, including:

- signed a free trade agreement with Panama, launched negotiations on bilateral free trade agreements with Morocco, Honduras and Ukraine, and initiated a joint study to examine the potential for an economic partnership agreement with Japan;

¹³ Surge capacity was required to host the G-8 and G-20 summits, resulting in 219 temporary FTEs.

- made progress in ratifying foreign investment promotion and protection agreements (FIPAs) with Kuwait, Bahrain, the Czech Republic, Latvia, Romania and Slovakia, pursued ongoing FIPA negotiations with China, India, Indonesia, Vietnam, Mongolia and Tanzania, launched new FIPA negotiations with Mali, and made progress toward launching new negotiations with Pakistan, Ghana, Kazakhstan and Cameroon; and
- concluded Open Skies-type air services agreements with Switzerland, Jamaica, Trinidad and Tobago, and Brazil, expanded air services agreements with Egypt and Algeria, and concluded a new "first-time" air services agreement with Qatar.

During the first full year of DFAIT's management of the revised Investment Cooperation Program, approximately \$6 million of the \$20 million in available funds was dispersed to support private sector investment in the developing world. This spending shortfall is expected to diminish significantly in 2011-12 through a more concerted marketing plan and the completion of a number of funded activities.

Contributing to Global Governance, Stability and Security

At the G-8, Canada launched the Muskoka Initiative on Maternal, Newborn and Child Health, which generated \$7.3 billion to improve the lives of women and children in the developing world. To enhance the effectiveness of the G-8, Canada launched the G-8 Accountability Report, which will encompass reports on the implementation of development-related commitments, assessments of the results of G-8 actions, and the identification of lessons learned in future reporting.

Through its co-chairmanship, with India, of the G-20 working group on the Framework for Strong, Sustainable, and Balanced Growth, Canada led efforts to establish targets for fiscal consolidation to address troubling developments in the finances of key countries. Other key G-20 agreements were reached on:

- accelerating reform of the International Monetary Fund to better reflect emerging-economy representation; and
- undertaking capital increases at international financial institutions in order to support regional economic development at a time of slow and uneven global economic recovery.

At the United Nations, Canada led sponsorship of the annual Iran human rights resolution, which was adopted by the UN General Assembly in 2010 by the largest margin since Canada assumed the lead of this initiative in 2003. This resolution helped maintain international scrutiny on the human rights situation in Iran, holding the Iranian government to account for its egregious human rights record and reminding Iranian citizens that the international community supports their struggle to realize their basic human rights.

While Canada received the support of a significant number of countries, ultimately it was not successful in its bid for a non-permanent seat on the UN Security Council for 2011-12. Canada ran a principled campaign, based on its values of democracy, freedom, human rights and the rule of law.

DFAIT met or surpassed its objectives to support the Afghan mission, as the mission achieved its goals with respect to training and infrastructure projects in the policing, justice and corrections sector, border management, and support for national and provincial Afghan government initiatives to encourage political reconciliation. Notably, Canada facilitated the Afghanistan-Pakistan Cooperation Process (formerly the Dubai Process), which yielded a cross-border dialogue and management agreement to coordinate infrastructure plans at key crossings and conduct reciprocal visits and joint training in order to share best practices and build relationships.

Through the Global Peace and Security Fund and Counter-Terrorism Capacity Building Program, Canada provided assistance to the Government of Afghanistan and Afghan civil society to improve security and stability in that country. Working with Canada's allies, DFAIT met or exceeded the vast majority of equipment, infrastructure, and institutional capacity-building and training/mentoring benchmarks.

The Counter-Terrorism Capacity Building Program also supported global counterterrorism commitments by providing capacity-building assistance to other states to prevent or mitigate terrorist activity.

The Stabilization and Reconstruction Task Force (START) supported timely responses to international crises such as the January 2010 earthquake in Haiti. START also helped deploy 286 RCMP officers to various peacekeeping missions, including the mission in Afghanistan, and developed a whole-of-government framework to support the deployment of civilian experts.

The Global Partnership Program helped Canada meet the peace and security commitments made at the 2010 Muskoka Summit, including ongoing efforts within the former Soviet Union to dismantle nuclear submarines, strengthen nuclear and radiological security, engage scientists with dual-use chemical, biological, radiological and nuclear expertise, and deal with biological and chemical threats.

Advancing Regional Interests

The Hemisphere

DFAIT supported the *Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness* initiative, establishing a new framework for Canada and the United States to jointly address security issues while supporting job creation and economic prosperity.

The department also supported a number of other key Canada-U.S. initiatives, addressing regulatory issues, government procurement and the border, notably through:

- the creation of a bilateral Regulatory Cooperation Council to increase regulatory transparency and coordination between the two countries and to reduce regulatory barriers to trade;
- the exploration of options to deepen the procurement commitments undertaken within the bilateral Agreement on Government Procurement concluded in February 2010;
- the management of Canada-U.S. transboundary water issues, including resolution of Flathead River Basin issues, and securing a delay until 2013 of implementation of New York State's ballast water regulations for existing vessels; and
- advocacy efforts on the Keystone XL pipeline project, gaining new allies for the project such as key governors and mayors.

Canada hosted the North American Foreign Ministers Meeting in December 2010, strengthening trilateral cooperation on issues such as Central American security, support for Haiti, competitiveness, cyber security, Internet freedom and privacy protection, and energy and environmental issues.

The Canada-U.S.-Mexico ministerial meeting of the NAFTA Free Trade Commission in January 2011 agreed to further reduce barriers to trade. Preliminary agreement was reached on changes to the NAFTA rules of origin and on ways to assist small and medium-sized enterprises in taking advantage of the NAFTA.

The visit to Canada by Mexican President Felipe Calderón in May 2010 resulted in the announcement of a new joint action plan and bilateral initiatives on air transport, youth and anti-crime capacity building to further strengthen close bilateral ties.

The department continued to implement Canada's Americas Strategy, which is focused on three mutually reinforcing objectives: democratic governance, prosperity and security. DFAIT's Andean Unit for Democratic Governance, located in Peru, contributed to the implementation of the democratic governance pillar of the Americas Strategy, translating Canada's democracy support policies into concrete activities in Peru, Ecuador, Venezuela and Bolivia by, for example, increasing youth participation in elections and addressing new threats to freedom of expression.

DFAIT's Anti-Crime Capacity Building Program supported the security pillar of the Americas Strategy through more than \$13 million in technical assistance and capacity-building initiatives in the hemisphere.

Europe

Diplomatic and advocacy work in Europe supported advances in the negotiation of the Canada-EU comprehensive economic and trade agreement (CETA). In addition to the CETA, the Canada-EU Summit in May 2010 focused on global issues such as Haiti, climate change, international finance, the G-8/G-20, and international peace and security.

DFAIT's European Oil Sands Team, led by the Canadian High Commission in London, continued to promote Canada's interests regarding the oil sands, including by raising concerns about the potential discriminatory impact of measures under the EU Fuel Quality Directive, a low-carbon fuel standard for Europe.

Middle East and Africa

In the Middle East, DFAIT continued to deliver Canada's assistance package of \$300 million over five years in support of Palestinian reform and maintained strong support for the State of Israel and for a resolution of the Arab-Israeli conflict that recognizes the existence of two states.

DFAIT provided policy advice and diplomatic support for the Government of Canada's response to democratic movements in Egypt and North Africa. The department contributed to citizen empowerment by supporting a project through Rights & Democracy to train over one hundred political bloggers and journalists from Egypt and the region, an initiative that was particularly significant given the essential role of social media in the "Arab Revolts."

In South Sudan, the provision of communications equipment and training for police officers helped citizens of all 79 counties to vote in the independence referendum.

The department supported implementation of a regional mineral certification mechanism by the International Conference on the Great Lakes Region and the Organisation for Economic Co-operation and Development to support peace and stability in Africa's Great Lakes region.

Asia

During the June 2010 visit of Chinese President Hu Jintao to Canada, China and Canada signed several agreements to strengthen Canada-China diplomatic and economic relations, including an agreement to reopen the Chinese market to Canadian beef, as well as agreements on travel and tourism, environmental protection and energy conservation, and combatting crime.

The June 2010 visit to Canada of Indian Prime Minister Manmohan Singh saw the two nations sign the Agreement for Cooperation in Peaceful Uses of Nuclear Energy, as well as agreements pertaining to trade and investment, education and culture.

Canada was successful in ensuring that Asia-Pacific Economic Cooperation (APEC) leaders committed to refraining from imposing new export restrictions and cooperating on structural reform. In addition, DFAIT concluded negotiation of the text of a joint declaration on trade and investment between Canada and the Association of Southeast Asian Nations—a significant step toward enhanced economic ties with the growing region of Southeast Asia.

The Counter-Terrorism Capacity Building Program continued to deliver a chemical, biological, radiological and nuclear training course for first responders in four Southeast Asian countries: the Philippines, Indonesia, Malaysia and Thailand. Since 2006, this program has trained approximately 4,400 first responders.

DFAIT continued to advocate for improvements in the human rights situations in Burma, Iran, North Korea, China, Sri Lanka, Pakistan and Vietnam, making the leadership in those countries aware of Canadian and international objections to their conduct in the area of human rights. Canada co-sponsored the 2010 UN General Assembly resolution on human rights in Burma and raised concerns about Burma's human rights record at the Human Rights Council in Geneva.

Advancing Canadian Interests with Respect to the Arctic, Energy and the Environment

Canada's Arctic Foreign Policy Statement was launched in August 2010, addressing the four pillars of Canada's Northern Strategy—exercising sovereignty, promoting economic and social development, protecting our environmental heritage, and providing Northerners with more control over their economic and political destiny.

DFAIT worked to strengthen the capabilities of the Arctic Council and leverage Canada's International Centre for the Arctic Region to promote Canada's Arctic interests in the capitals of Arctic Council member states as well as to support the negotiations on an Arctic search and rescue agreement.

In October 2010, the five Arctic coastal states, under Canada's leadership, established the Arctic Regional Hydrographic Commission to improve understanding of the Arctic Ocean and its coastal areas.

On energy, DFAIT continued to lead and support engagement with key partners such as the United States, Russia and Japan through forums such as the International Energy Agency, the International Energy Forum (IEF) and the APEC Energy Working Group. Canada signed the IEF's new charter in February 2011, and began providing regular financial contributions to this mechanism for dialogue between state energy producers and consumers.

Canada continued negotiations aimed at developing a new fair, effective and comprehensive post-2012 international climate change regime. Canada adopted the Cancun Agreements, which included a climate change adaptation framework, a technology transfer mechanism, and the establishment of a Green Climate Fund. Canada contributed \$400 million in new and additional financing to support developing countries in addressing climate change issues in 2010-11.

Support for Visits

A record-breaking official visits agenda contributed to the deepening and expansion of Canada's foreign policy and trade relations during a critical time for the global economic recovery. DFAIT coordinated 44 state, official and working visits, as well as Canada's participation in 123 multilateral and bilateral visits and summits abroad, involving the Governor General, the Prime Minister and portfolio ministers.

Lessons Learned

DFAIT's experience during the G-8 and G-20 summits underscored the importance of whole-of-government engagement in the development of policy positions.

In order to deliver on Canada's ambitious trade agenda, the department will need to continue adapting its approach to each trade negotiation. For example, when working with countries that are new to free trade negotiations or unfamiliar with Canada's approach, providing leadership in the management and administration of the negotiation process tends to improve its effectiveness and efficiency.

Regular use of videoconferences has been effective in advancing specific issues in free trade negotiations.

2.2 Strategic Outcome 2: International Services for Canadians

Description: Strategic Outcome 2 ensures that Canadians are provided with commercial, consular and passport services and are satisfied with these services. This strategic outcome is supported by three program activities: International Commerce, Consular Affairs and Passport Canada.

2.2.1 Program Activity 2.1: International Commerce

Description: This program activity works to expand the participation of Canadian business in world markets and increase its interaction with global business partners, while promoting Canada as a competitive location and partner for investment, innovation and value-added production.

2010-11 Financial Resources (\$ millions)

	Planned Spending	Total Authorities	Actual Spending
DFAIT component	248.5	180.4	178.3
EDC (Canada Account)	167.0	13,154.5	-1,451.5
Total	415.5	13,334.9	-1,273.2

2010-11 Human Resources (FTEs)

	Planned	Actual	Difference
DFAIT component	1,603	1,647	44
EDC (Canada Account)	-	-	-
Total	1,603	1,647	44

Expected Results	Performance Indicators	Targets	Performance Status
Canadian exporters, innovators and investors have increased their international business development efforts.	Percentage of clients and partners who actively pursued a commercial agreement in a market where they sought assistance from the Trade Commissioner Service (TCS).	50% of assisted clients actively pursuing opportunities in target market.	57% of respondents to the TCS Client Survey in 2010-11 responded that they are actively pursuing a commercial opportunity in a market where they received assistance from the TCS. (This is an increase from 42% in the 2009 Comprehensive TCS Client Survey.)
Foreign direct investment in proactive sectors and from key markets to which DFAIT contributes has increased in number and value.	Number and value of foreign direct investments made in proactive sectors and from key markets to which DFAIT contributed.	Number: 106	DFAIT successfully facilitated 145 greenfield and expansion investments in 2010-11, a 38% increase over the previous year, for a total estimated value of \$7 billion (based on 52% of companies reporting to DFAIT).
High-quality international commerce services are delivered to Canadian exporters, importers, investors and innovators.	Percentage of clients who are highly satisfied with the quality of the services delivered by the department.	TCS: 70% Export and Import Controls: Establish baseline data.	78% of TCS client survey respondents were satisfied with the service provided by the TCS in Canada or abroad. This percentage increased slightly throughout the year, particularly from the survey in November 2009, when the satisfaction rate was 66%. Export and import controls: An approach for client surveys was piloted in 2010-11 and will be reworked in the coming year. The department met service standards 99% of the time: to deliver non-routed permits within 15 minutes of application, and to process other application types within 4 hours.

Performance Summary and Analysis of Program Activity

DFAIT continued to implement the Global Commerce Strategy (GCS), announced in Budget 2007, which seeks to make Canada a partner of choice for international business and improve the access of Canadian business to global markets, capital, technologies and talent. DFAIT continued its implementation of the Integrative Trade Model, wherein trade, investment and innovation-related activities, as well as global sector strategies, are offered as a combined suite of services at any point of service in the network.

To support the GCS, the Canadian Trade Commissioner Service (TCS) delivered programs and services through a network of trade commissioners posted in more than 150 cities abroad and in 18 regional offices located in every Canadian province. During the past year, the department achieved all of its International Commerce performance targets.

Recognizing the importance of growing and emerging markets, DFAIT opened six missions in 2010-11, and moved its mission in Kazakhstan from Almaty to Astana to better serve clients. DFAIT established trade-focused representatives in six offices of the Canadian Commercial Corporation that were opened in China (Wuhan, Chengdu, Shenzhen, Qingdao, Shenyang and Nanjing).

According to online monitoring systems and an annual client survey, DFAIT continued to offer timely and highly effective commercial services to Canadian business. In 2010-11, 93 percent of TCS clients were served within the five-day service standard, 78 percent of clients expressed strong satisfaction with the services they received from the TCS, and 57 percent credited the TCS for the commercial agreements they are now pursuing. The number of clients served increased slightly from 2009-10, with 13,449 clients receiving services from the Trade Commissioner Service. Significant progress was made with respect to increased commercial service delivery. For example:

- The number of services delivered rose by 14 percent, from 42,000 in 2009-10 to 48,368 in 2010-11.
- In North America, trade commissioners provided more than 9,000 services (an increase of 40 percent from 2009-10) to more than 4,000 clients.
- DFAIT's Export U.S.A./Mexico programs brought new exporters to the border, and U.S. experts offered workshops for new exporters in Canada to explain and demonstrate cross-border procedures.

Efforts to promote priority sectors were successful, with increases in services delivered in key sectors such as bio-industries, agricultural technology and equipment, aerospace-defence, agriculture, food and beverages, building products, cleantech, life sciences, and information communications technology. The department's global sector strategies were revised in the fall of 2010, and seven new TCS positions were embedded in Canadian industry associations to improve their capacity to develop effective sector strategies and to better connect the department to potential new clients.

DFAIT successfully facilitated 145 greenfield and expansion foreign direct investments (FDI) in 2010-11, a 38-percent increase over the previous year, through a number of key activities, including:

- promoting Canada as an investment location of choice at 17 signature events, including at the G-8 and G-20 summits, the Shanghai World Expo and the World Economic Forum;
- delivering 76 private sector Investment Champion speaking engagements by senior-level private sector executives in priority sectors and markets; and
- conducting 1,495 FDI-related meetings and assisting in arranging 178 exploratory company visits to Canada by prospective foreign investors.

The department also drew upon the \$9 million over three years allocated in Budget 2010 for FDI promotion activities aimed at key investors from the United States, resulting in a 25-percent increase in the number of investments facilitated over the previous fiscal year.

DFAIT continued to support Canadian business in competing effectively in global value chains. In 2010-11, the department published four new analytical reports focusing on the procurement and supply management structure of multinational enterprises (MNEs) and facilitated over 260 business-to-business meetings highlighting Canadian capabilities to MNEs. Efforts resulted in three partnership agreements between Canadian suppliers and Asian MNEs.

DFAIT continued to promote Canadian innovation internationally over the past year. The department proceeded with implementation of the second phase of the International Science and Technology Partnerships Program (ISTPP), aimed at promoting collaborative research, development and technology commercialization activities with India, China, Brazil and Israel. Four new bilateral research and development projects worth a total of \$4.5 million were initiated between Canada and Israel.

The department continued to manage the Going Global Innovation program designed to promote Canada's international innovation efforts by supporting Canadian companies and researchers in pursuing international research and development partnerships. In 2010-11, 78 applications were approved, providing \$976,000 to Canadian recipients (60 percent Canadian private sector researchers and 40 percent academic researchers with projects having significant commercial potential).

In 2010-11, 30 Canadian industry associations received over \$2 million in Global Opportunities for Associations funding to support new or expanded international business development activities in over 30 markets across 12 sectors.

Funding to promote Canada's Asia-Pacific Gateway and Corridor ended in 2010-11. Over the course of this five-year initiative, joint outcalls by trade commissioners and industry leaders targeted 82 of the largest trans-Pacific importers and exporters. A review of the initiative revealed that about 50 percent of target users had initiated or expanded their use of Canadian ports, and 33 percent indicated they are considering using a Canadian port in the future. Efforts to promote the Gateway contributed to a 29-percent increase in container-traffic market share and a 10-percent increase in air cargo on the west coast since 2006.

DFAIT continued to implement the government's Corporate Social Responsibility Strategy for the Extractive Sector, which provides tools, guidance and advice to help Canadian mining, oil and gas companies meet and exceed their social and environmental responsibilities when operating abroad.

As part of a broader initiative to streamline the Steel Import Monitoring Program under the Export and Import Permits Act, DFAIT eliminated permit fees for steel imports. This reduced the regulatory burden for steel importers and more closely aligned the program with domestic legislation and Canada's multilateral and bilateral agreements.

Lessons Learned

An internal evaluation of the Global Commerce Strategy, *Maximizing Our Potential*, was conducted to examine how the Trade Commissioner Service could adapt to changes in the global economy and better serve domestic clients and partners. DFAIT will implement some of the key recommendations from this evaluation in 2011-12.

The oversight mandate of DFAIT's International Commerce Coordination Board was expanded to review the performance of the TCS network on a quarterly basis using a suite of indicators on the volume and quality of interactions with clients, compliance with service standards, and the department's contribution to economic outcomes. This performance data will be used to inform Canada's international trade policies and priorities and support resource allocation decisions.

Following an evaluation of the Client Service Fund, the department introduced a set of mandatory and optional performance indicators to track and report results, established best practices on funding, revised timelines for the business planning cycle, and clarified stakeholder roles and responsibilities.

An evaluation of the ISTPP identified weaknesses in program management and reporting. A number of changes in the second phase of the program have addressed the recommendations, including the introduction of stronger governance mechanisms to ensure greater oversight of program activities, and a tighter focus on performance, financial management and reporting.

An evaluation of the Life Sciences Sector Practice provided recommendations that have been applied to all sector practices, in particular the need to clarify the role and responsibilities of sector practice officers to ensure they have the skills to fulfill their responsibilities and can make more strategic use of advisory boards.

Working more closely with the private sector to define sector strategies has improved alignment of mission trade promotion efforts with Canadian private sector capacities and interests in specific markets. A growing portion of TCS resources are being focused on supporting global sector strategies, with some \$3 million in funding allocated to the highest-quality business development opportunities.

2.2.2 Program Activity 2.2: Consular Affairs

Description: This program activity manages and delivers consular services and advice to Canadians.¹⁴ This work is done through consular officers in Canada and at missions abroad, and through Travel.gc.ca.¹⁵ The main target groups are Canadians outside Canada and Canadians planning to travel or live abroad.

Canadians abroad obtain consular assistance at more than 260 consular points of service in over 150 countries around the world, 24 hours a day, seven days a week. More than 500 consular staff at missions abroad and at DFAIT headquarters help Canadians to prepare for international travel and also assist them outside Canada. In providing consular services, DFAIT is supported by Passport Canada as well as by a number of federal partners, including Citizenship and Immigration Canada, the Canada Border Services Agency, the Department of National Defence and the Public Health Agency of Canada.

2010–11 Financial Resources (\$ millions)

Planned Spending	Total Authorities	Actual Spending
69.6	63.4	54.8

2010–11 Human Resources (FTEs)

Planned	Actual	Difference
516	534	18

Expected Results	Performance Indicators	Targets	Performance Status
Canadians are better informed and well prepared to travel safely and responsibly.	Percentage of travellers surveyed who (unprompted) list consular communications tools as a source for safety and security information on new destinations.	17%	Due to a change in government policy pertaining to public opinion research, this indicator was not available for use.
Canadians receive satisfactory assistance abroad.	Percentage of clients who respond favourably regarding the services received abroad.	65%	Of the 5,723 Canadians who completed a Client Feedback Form in 2010-11, fully 95% said they were satisfied or very satisfied with the services received.
	Percentage of travellers surveyed who respond that they would contact a mission if they found	75%	Due to a change in government policy pertaining to public opinion research, this indicator was not available for use.

¹⁴ The term "consular" describes the services that a country provides for its citizens abroad. These services are clearly established in the 1963 Vienna Convention on Consular Relations, to which Canada is a signatory.

¹⁵ www.voyage.gc.ca/index-eng.asp

	themselves in trouble in a foreign country.	
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Performance Summary and Analysis of Program Activity

Responding to Emergencies and providing consular assistance

DFAIT handled an unprecedented 50 international crises in 36 countries, including civil unrest in Thailand, North Africa and the Middle East, and the earthquakes in Japan and New Zealand. On an average day, the DFAIT Emergency Operations Centre received over 400 calls. For the period January to March 2010 (marked by several international crises), the consular website logged more than 1.2 million visits.

DFAIT played a leadership role within the Government of Canada during these emergencies, facilitating coordination with key partner departments such as Citizenship and Immigration Canada, the Canada Border Services Agency and the Department of National Defence. This helped improve the government's response to complex situations such as the evacuation of 520 Canadians from Egypt in January 2011. To ensure Canadians received prompt emergency services during these crises, including for complex cases such as the death of a family member, a specialized unit of consular officers was mobilized. The unit dealt with more than 400 of these cases over the past year.

In response to the volatile situations in North Africa and the Middle East, four specialized teams were sent to countries with the potential for unrest to ensure that adequate mission emergency planning capacities were in place.

Significant progress was made to improve the effectiveness and sustainability of the department's responses to emergencies, including:

- the opening, in Panama, of a second of three planned Regional Emergency Management Offices (REMO) tasked with delivering emergency management services to missions and providing a rapid response capacity in crisis situations. The value of this new approach was demonstrated in Egypt in February 2011, when staff from the Ankara REMO were on location within 24 hours to assist in the evacuation of Canadians;
- progress in establishing a new Emergency Watch and Response Centre within DFAIT headquarters, which will enhance the department's ability to provide emergency services to Canadians and facilitate coordinated whole-of-government responses to emergency situations abroad;
- the launch of an Emergency Response Community within DFAIT, which will provide a staffing surge capacity to sustain emergency responses; and
- the development of a model emergency command structure that can be established within hours at missions to ensure rapid and efficient responses to the needs of Canadians.

In the area of child-related cases, the department managed over 850 cases and provided parents with relevant information on possible solutions to their situations. Canada played a lead role internationally in promoting the Convention on Civil Aspects of International Child Abduction, encouraging other countries to become signatories to this important treaty.

Helping Canadians Travel Safely

DFAIT made effective use of its consular website to ensure Canadians have the information they need to travel safely. Canadians visited this website over 5.1 million times during the past year, a 48-percent increase in the number of visits over last year, explained in part by Canadians seeking up-to-date travel reports and security information, in particular during the crises in the Middle East.

The department continued to make improvements to this website, including the development of an online publications catalogue, updated resources for travelling with children and a revised system for the Registration of Canadians Abroad program.

In response to the public demand for print information, 4.7 million materials were printed and distributed, representing an increase of 14 percent over last year. Several new or revised consular publications were issued, including *Bon Voyage, But...*, which now includes the new Emergency Contact Card, *Travelling with Children, A Guide for Canadians Imprisoned Abroad, Dual Citizenship*, and a *Traveller's Checklist*.

DFAIT undertook several new and innovative activities to encourage Canadians to prepare to travel safely, including participation in 84 outreach initiatives, comprising 36 travel and trade shows across Canada and 48 consular presentations to the public and the travel industry. DFAIT also reached a wider audience by offering a new online *Safe Travel Planner*, a training module for travel counsellors who can now partner with government to encourage safe travel for Canadians.

Lessons Learned

Over the past few years, the number and complexity of consular cases and international crises managed by the department have grown dramatically. Consular staff at missions and at headquarters are well trained to manage consular and emergency events. Broader engagement of the department's global human resources is required to ensure that all employees being posted (from both DFAIT and partner departments) as well as all departmental employees working at headquarters benefit from training to provide surge capacity when necessary. Similarly, greater coordination and synergies among partners across the department are required to ensure that content posted to various web holdings during consular and emergency events is relevant, informative and complementary.

International events, including civil unrest and natural disasters, precipitated over 2,000 travel updates during 2010-11, including warnings and safety and security advisories. Drawing on lessons learned from the Haiti earthquake, the department added a crisis button on the consular website home page that links directly to the latest information on an emergency situation.

2.2.3 Program Activity 2.3: Passport Canada

Description: This program activity is responsible for issuing, revoking, withholding, recovering, and overseeing the use of Canadian passports. It issues secure Canadian travel documents by authenticating the identity and entitlement of applicants, facilitates the global travel of Canadians, and contributes to international and domestic security. The most common travel document issued by Passport Canada (98 percent of all documents issued) is the familiar, 24-page blue passport. The main target group is Canadian citizens travelling abroad. In recent years, passport demand has increased steadily to the point that, at present, more than 60 percent of Canadians hold valid passports.

Each year, Passport Canada uses a forecasting model to estimate the number of passport applications it expects to process (which can vary widely from month to month), to establish budgets for upcoming fiscal years, and to predict production needs. To ensure reliable, consistent and accessible services to Canadians everywhere, the agency is guided by quantifiable service standards.

Passport Canada finances its operations from the fees charged to clients. The agency operates by means of a revolving fund, which enables it to accumulate an annual surplus (or deficit). It can also carry over surplus revenues from year to year to offset potential future shortfalls in demand for passports or in revenue.

2010-11 Financial Resources (\$ millions)

Planned Spending	Total Authorities	Actual Spending
321.0	132.9	16.8 ¹⁶

¹⁶ In 2010-11, Passport Canada generated revenues of \$269.5 million and spent \$286.3 million to deliver its program. The net cost of the program was \$16.8 million. The total authorities of \$132.9 million are derived from a previous surplus as well as drawdown authority approved by Parliament. Passport Canada, through the revolving-fund mechanism, carries over these authorities to cover projected future deficits as well as to continue the implementation of the ePassport in 2011-12 and 2012-13.

2010-11 Human Resources (FTEs)

Planned	Actual	Difference
2,475	2,415	-60

Expected Results	Performance Indicators	Targets	Performance Status
Canadians receive innovative, reliable, consistent and accessible passport services.	Percentage of clients who indicate that they are satisfied with the passport services they have received.	90% of clients are satisfied to some extent with their overall service experience with Passport Canada.	96% of clients reported they were satisfied with Passport Canada's services in a 2008 survey, the last year public opinion research was undertaken.
	Percentage of Canadians having access to a point of service within 100 km.	95%	The target of 95% was fully met through Passport Canada's service delivery network.

Performance Summary and Analysis of Program Activity

Passport Canada continued to provide high-quality services to Canadians. In 2010-11, the agency:

- issued 4,422,206 passports and maintained turnaround service standards at 99%;
- achieved the 95-percent target of providing Canadians living in Canada access to a point of service within 100 km through its service delivery network of 34 regional offices and 200 receiving agent locations;
- implemented new facial recognition technology, which is now being used to process all passport applications and is proving to be an effective tool to combat fraud and enhance data integrity; and
- implemented a new case management system to enhance the ability to record, process, search, close and report security-related incidents and intelligence.

In preparation for the launch of the ePassport in 2012-13 and the introduction of new service fees, the agency conducted extensive consultations with Canadians regarding its services. A report on its public consultations was published in October 2010. These consultations will inform the new fee-for-service proposal and will help shape future service offerings to Canadians.

In Budget 2008, the government committed to introducing an electronic passport with a 10-year validity period. The government also committed, in its 2010 Speech from the Throne, to introducing a new biometric passport with a view to safeguarding Canada's national security. In support of these commitments, the agency continued to pilot the ePassport solution in 2010-11, with more than 36,000 diplomatic and special ePassports having been issued thus far with no reported problems. The agency received approval for the national implementation of the ePassport solution and is preparing for the delivery of ePassports to Canadians beginning in the fall of 2012.

The agency received the 2010 Distinction Award at the Government Technology Exhibition and Conference for public sector leadership, innovation and excellence in information management for the robustness of the forecasting model used to plan resources and expected revenues.

Cost savings and realized efficiencies included an 11-percent reduction in travel costs from the previous year and the implementation of a no-cash-acceptance policy for fee payment, which is expected to result in approximately \$800,000 in yearly savings.

Analysis of performance led to leasehold life-cycle improvements, including the establishment of a new storefront issuing office in downtown Calgary in July 2010 and the relocation of the office in Surrey to a storefront issuing office, which opened in April 2011.

As part of its commitment to continue to build an engaged workforce, the agency developed and implemented a human resources staffing strategy to align staffing actions with its planning priorities and to ensure that the organization has the required human resources in place to meet its key service commitments.

Lessons Learned

Using executive-level priority setting and governance as the foundation for integrated planning is essential to the alignment of priorities and resources and to achievement of planned results. Executive leadership and engagement of central agencies, such as Treasury Board Secretariat, in the early phases of project planning and funding is imperative to project success.

2.3 Strategic Outcome 3: Canada's International Platform

Description: On behalf of the Government of Canada, DFAIT maintains a mission network of infrastructure and services to enable the international operations of the government and its partners at missions abroad. This strategic outcome is supported by two program activities: Canada's International Platform: Support at Headquarters and Canada's International Platform: Support at Missions Abroad.

2.3.1 Program Activity 3.1: Canada's International Platform: Support at Headquarters

Description: This program activity focuses on the management and delivery of infrastructure and services at DFAIT headquarters to enable the international operations of the Government of Canada and its partners located at Canada's missions abroad. The main target group is the network of missions abroad and DFAIT's 32 partners at missions abroad.¹⁷

As of March 31, 2011, Canada's network consisted of 178 missions—including three interim operations and nine missions with multilateral organizations—located in 106 countries. Working for DFAIT at these missions are a total of 7,919 Canada-based staff (CBS) and locally engaged staff (LES). The department's representation also includes 18 regional offices across Canada with 158 employees. In addition to these missions and regional offices, there are service points, including 111 consulates, which are the responsibility of honorary consuls, and six offices of the Canadian Commercial Corporation with DFAIT representation. Finally, there are 16 locations in various countries where Canadians can obtain assistance through the diplomatic offices of other countries, such as the United Kingdom or Australia. Altogether, Canada's network includes 329 service locations in Canada and across the world.

2010–11 Financial Resources (\$ millions)

Planned Spending	Total Authorities	Actual Spending
356.1	343.6	309.9

2010–11 Human Resources (FTEs)

Planned	Actual	Difference
1,177	1,241	64

¹⁷ In 2010–11, the 32 partners consisted of 24 federal departments and agencies, two Crown corporations, four provincial governments and two other governments.

Expected Results	Performance Indicators	Targets	Performance Status
Common services and support are efficient and cost-effective in supporting Canada's representation abroad. ¹⁸	A modified costing framework for common services to ensure proper allocation of resources to support Canada's representation abroad.	Production of a modified costing framework document.	The costing framework document was completed and validated by partners in November 2010.
	An updated framework for planning and managing changes to positions abroad.	Production of an updated framework document for planning and managing position changes abroad.	The revised "Framework for Planning and Managing Change to the Network" was published. This revised framework is now a policy of the Operations Committee, exercising the Deputy Minister of Foreign Affairs' authority for the management of the missions, which flows from the legislated mandate of the Minister of Foreign Affairs.
	Extent to which the department meets its Strategic Review, Expenditure Review Committee and Budget 2006 reduction targets.	100%	DFAIT met its Strategic Review, Expenditure Review Committee and Budget 2006 reduction targets identified for 2010-11. This was completed through various cost-savings initiatives.

Performance Summary and Analysis of Program Activity

The past year saw continued increases in the demands placed upon Canada's network of missions abroad, including increased requirements for common services and an increased volume of changes in human resource positions required to maintain the network abroad. For example, between 2005 and 2009 the average number of position change requests annually was 160, whereas more than 700 position change requests were processed in 2010-11. Increased demands for common services combined with decreased resources for the International Platform Branch required DFAIT, in consultation with its mission partners, to make strategic resource reallocation decisions.

DFAIT's Common Service Model was used to provide an objective means to determine the appropriate level of common service resources required for the establishment of a new mission as well as to review and improve common service resource levels at existing missions. This model was applied in all missions in the Americas, Asia, Africa, Middle East and Europe to determine optimum human resource levels and staffing priorities.

Preparations were made for the anticipated implementation, by the end of next fiscal year, of a revised policy on common service cost recovery, which identifies common services, a cost recovery methodology, and related common service standards. In the meantime, to ensure efficient and accurate costing for new positions abroad and to support interdepartmental planning, an automated costing tool was used to cost all new position requests.

DFAIT reviewed, adjusted and established service standards for common services at missions. To measure awareness of these standards, an online client survey was conducted, which indicated that 76 percent of

¹⁸ Common services are the infrastructure, staff and services required to maintain Canada's representation abroad: the provision and maintenance of office space; official residences and staff quarters; the hiring and support of locally engaged staff; and the management of financial and personnel administration, contract services, information management and technology, security, and transportation services.

clients were aware of the service delivery standards at their mission. The survey also indicated that 90 percent of clients were satisfied with the timeliness and quality of overall service delivery.¹⁹

To improve management of the international property portfolio for the Government of Canada, DFAIT introduced a 2010-15 Real Property Business Plan in December 2010 that provided a new multi-year strategic framework for property management decisions. This plan also included the "Implementation Report for the Critical Infrastructure Protection Program-1," which will guide improvements to missions to address security and earthquake requirements over the next nine years.

In the fall of 2010, an Information Management/Information Technology Investment Committee was established to prioritize IM/IT funding pressures and approve departmental reporting on aging IT systems. This enabled the department to prioritize all departmental IM/IT investments in support of its business priorities.

Lessons Learned

DFAIT and partner positions abroad have grown by over 1,000 positions since 2005, driven by initiatives such as DFAIT's Strategic Review, decentralization by the Canadian International Development Agency, the Biometric Initiative at Citizenship and Immigration Canada, RCMP network reconfiguration, and the Container Security Initiative at the Canada Border Services Agency. Another approximately 700 positions are planned for deployment over the next two years. This dramatic growth has required DFAIT to streamline its planning processes and adjust its common service delivery standards.

A Summative Evaluation of the governance model for support to missions abroad found that internal and external partners required greater transparency regarding the costs of common services at missions. To address this issue and other recommendations from the evaluation, DFAIT is updating its basic service standards for all missions and has posted its service standards on the DFAIT intranet. DFAIT continues to ensure that the governance system for the network abroad is robust and includes all partners at all levels of government.

2.3.2 Program Activity 3.2: Canada's International Platform: Support at Missions Abroad

Description: This program activity focuses on the management and delivery of infrastructure and related services at missions to enable Canada's representation abroad. This work is done by coordinating with DFAIT's partners at Canada's missions in other countries. DFAIT ensures that services related to human resources, financial management, assets and materiel, comptrollership, mail and diplomatic courier, and information management/information technology are in place at missions to support Canada's international policy objectives and program delivery abroad. The main target group is the Government of Canada network of missions abroad and DFAIT partners at those missions.

2010-11 Financial Resources (\$ millions)

Planned Spending	Total Authorities	Actual Spending
531.9	551.5	494.6

2010-11 Human Resources (FTEs)

Planned	Actual	Difference
3,978	3,953	-25

¹⁹ Survey results are based on 706 respondents (9 percent). As per last year's analysis, the neutral percentage has been counted as positive. Clients are federal departments and agencies, Crown corporations, provincial governments and foreign governments.

Expected Results	Performance Indicators	Targets	Performance Status
The department and its partners are satisfied with provision of common services.	Percentage of clients who respond favourably to common services they receive at missions.	75% satisfaction	Results from an online client satisfaction survey reported an overall satisfaction rate 90% with common services delivery and support.
	Service standards for all common services are in place.	Establish baseline for common services.	Results from an online client survey indicate that 76% of employees are aware of common service delivery standards at their mission.
The department is responsive in addressing Canada's evolving presence abroad.	Percentage of approved mission opening/closing requests and approved position changes completed on schedule.	95%	100% of mission opening/closure requests were managed effectively.
	Percentage of approved position changes completed on schedule.	95%	DFAIT completed 98% of requested position changes on schedule.

Performance Summary and Analysis of Program Activity

To increase Canada's presence abroad, DFAIT opened six new missions in locations relevant to the Government of Canada's priorities. New missions were opened in Doha (Qatar), Istanbul (Turkey), and Acapulco, Oaxaca, Mazatlán and San José del Cabo (Mexico). In addition, the department moved its mission in Kazakhstan from Almaty to Astana to better serve clients. DFAIT has also embedded staff in six new offices of the Canadian Commercial Corporation that were opened in China (Wuhan, Chengdu, Shenzhen, Qingdao, Shenyang and Nanjing).

In Kabul, the acquisition of a new property by long-term lease will allow Canada to develop permanent quarters for staff. Preparations were made for the construction of a new mission with permanent staff quarters, a recreation facility, and associated security and site infrastructure. The project's initial development phase will begin in late 2011.

In recognition of the extraordinary conditions under which employees work in Afghanistan, additional benefits, beyond what the highest hardship level 5 mission personnel would receive, are in place. This benefits package, which includes a high-risk premium, a special payment, additional insurance coverage, and a decompression program including a rest period at the completion of the mission, is reviewed regularly.

In Islamabad, funding was allocated for strengthening security, in accordance with Budget 2010, and for supporting the construction of a new staff quarters and an official residence. The initial site development is scheduled for early 2012, following preliminary project approval.

In 2010-11, Regional Service Centres were opened in Washington, D.C., for the United States and in Thames River Valley in the United Kingdom for Europe, Africa and the Middle East. The U.S. model focuses on the regionalization of services provided through four common service delivery points. With four missions each providing services for several smaller missions, this approach leverages the capacity of larger missions to minimize operational costs. The Regional Service Centre for Europe, Africa and the Middle East is looking at a model similar to that of the United States to transform the delivery of common services within its portfolio of approximately 70 missions.

The efficiency and sustainability of the services and support provided by the regional service centres was enhanced through:

- working toward the negotiation of regional standing offers to realize volume discounts for mission procurement of such items as official vehicles, office machines, appliances and furnishings;
- use of the centres to support large-scale maintenance and repair projects and the exploration of regional outsourcing possibilities related to facilities management;
- the development of regional training centres to host workshops and training events that previously required travel to Canada; and
- proof of concept of an online tool to streamline processes and track service requests against established service delivery standards.

Several savings initiatives were introduced to ensure sustainability of services and infrastructure, adjust service levels, and ensure that the 2007 Strategic Review savings target of \$13.5 million was realized:

- A staff quarters strategy pilot (incorporating 21 missions as of March 31, 2011), which established revised rental ceilings for staff quarters, is now policy.
- A full analysis of DFAIT's mission vehicle fleet was conducted.
- Some official residences were sold and replaced with properties that offered savings.

The Foreign Service Directives portal project, designed to provide single-window access to the Foreign Service Directives by 2012, is being implemented within budget.

Salary adjustment costing procedures for locally engaged staff (LES) are being changed to reflect position streams and facilitate reporting on funds attribution between common services and the geographic branches by mission. The Total Compensation Review Strategy, which updated the terms and conditions of employment for 24 missions in three countries, including the United States and China, remains on track for completion by the end of the next fiscal year.

An agreement was reached with the Treasury Board Secretariat on the transfer of responsibility for LES pension, insurance and social security programs to DFAIT. The transfer will take place in January 2012. A payroll and benefits management solution for LES was endorsed by the department's Resource Management Committee and is scheduled to begin implementation in 2011-12.

Lessons Learned

Growth of the network abroad, compounded by resource constraints, have made it imperative to focus on an approach to common service delivery that is less resource-intensive and makes greater use of technology. Common services must continue to respond to the changing needs, priorities and programs of the Government of Canada.

2.4 Internal Services

Description: As a program activity, Internal Services is the combination of process- and service-related activities that make possible all of the department's operations. Internal Services enables DFAIT to carry out its mandated functions and advance its strategic outcomes.

Financial and Human Resources

2010–11 Financial Resources (\$ millions)

Planned Spending	Total Authorities	Actual Spending
87.4	155.4	152.6

2010–11 Human Resources (FTEs)

Planned	Actual	Difference
1,258	1,267	9

Performance Summary and Analysis of Program Activity

Governance and Management Support

Management and Oversight

DFAIT worked to improve its governance and management systems in 2010-11, using performance information from its annual Treasury Board Secretariat (TBS) Management Accountability Framework (MAF) assessment. Priority efforts were directed at areas where the department had received MAF VII "Opportunity for Improvement" assessments: Corporate Management, Quality of Treasury Board Submissions, Corporate Risk Management, and Financial Management and Control. These efforts resulted in improved MAF VIII scores for DFAIT, including the elimination of its "Opportunity for Improvement" ratings.

The department improved the efficiency and effectiveness of its planning and reporting processes in 2010-11 through a greater focus on results and the alignment of plans and resources with departmental priorities. Accountability for the delivery of results was enhanced through the integration of business plans with the performance management agreements of senior managers.

In November 2010, DFAIT put in place a new Integrated Risk Management Policy, which identified the Assistant Deputy Minister of Strategic Policy and Planning, supported by a corporate risk officer, as the lead for risk management in DFAIT. The department's Corporate Risk Profile was updated, and risk management was fully integrated into operational planning for the first time through branch risk profiles and action plans. Specialized risk training was provided to over 80 employees. DFAIT's MAF ratings for corporate risk management improved from "Opportunity for Improvement" in MAF VII to "Acceptable" in MAF VIII.

The department's Risk-Based Audit Plan for 2010-12 was updated using a variety of information and approaches, including an analysis of past audit findings, interviews with senior departmental management, and input from the Departmental Audit Committee. The selection of planned audit projects was also informed by the findings of DFAIT's recent Financial Resource Management Risk Assessment. This approach ensures that audit resources are focused on those areas that add value to the department.

Over 30 recipient audits, liaison visits and initial visits were completed for the grants and contributions programs, and the department conducted 17 mission inspections. The mission inspections indicated sound management and increased efficiencies in the operation of the mission network, while recommending improvements in operational planning, physical infrastructure and security measures.

The department's five-year evaluation plan was updated and the results of 16 evaluation projects were used to inform policy and resource decisions. DFAIT's evaluation function received a "Strong" MAF assessment for the third year in a row. A new departmental Values and Ethics Code was developed and will be implemented once the Public Sector Values and Ethics Code is approved by Treasury Board.

Communications

Ministers and senior officials received extensive communications support during 2010-11, which was a high-profile year for Canada as it hosted several international events, most notably the G-8 and G-20 summits.

The department promoted Canada's Arctic Foreign Policy as well as key messages in the Canada-U.S. *Shared Vision for Perimeter Security and Economic Competitiveness*, announced in February 2011.

Specific communications products and strategies were developed to reinforce the message to Canadians that protectionism and barriers to trade constitute obstacles to the economic recovery and future prosperity of Canada. Canada was advertised as an investment destination, and marketing support was provided to the Trade Commissioner Service.

In 2010-11, DFAIT issued 409 news releases and 145 media advisories, responded to more than 3,500 media and 68,700 public inquiries, held 145 media events and created 117 event web pages. DFAIT's web presence

attracted over 30 million visits, and the number of subscribers to *CanadExport* (the online magazine of the Trade Commissioner Service) increased by 8.6 percent.

Podcast downloads rose by 120 percent, and visits to the Trade Commissioner Service website grew by 18 percent. The department's use of social media also increased during this period: Twitter was used over 950 times to disseminate departmental news, updates and events.

Legal

DFAIT prosecuted cases at the World Trade Organization on access to the Korean market for Canadian beef as well as the U.S. Country of Origin Labelling issue, and defended cases brought forward under the Softwood Lumber Agreement and the North American Free Trade Agreement.

Significant progress was made in preparing Canada's submission to the Commission on the Limits of the Continental Shelf, and a new policy on international legal issues—notably in the area of international criminal, humanitarian and environmental law—was developed.

Legal support was provided for the negotiation and interpretation of international agreements, notably the prospective Canada-EU comprehensive economic and trade agreement. Over 130 written opinions were provided in the area of trade law alone. Pursuant to the Special Economic Measures Act and the United Nations Act, economic sanctions against governments such as those of Iran, North Korea, Libya and Syria were implemented.

Resource Management and Asset Management Services

Human Resources Management

The department launched an initiative in the fall of 2010 to manage a greater percentage of its workforce through pool management and collective staffing processes. This will improve workforce flexibility, such as responsiveness to work surges or shifts in departmental priorities. The expansion of pool management to the department's Commerce Officer (CO) and Economics and Social Science Services (EC) communities was launched in November 2010. DFAIT has also created a suite of language training programs for headquarters and missions to improve foreign language capacity.

In June 2010, DFAIT adopted the Office of the Chief Human Resources Officer's Common HR Business Process. Monthly data-quality reviews and additional training were used to improve the accuracy of human resources management system data used to support management decision making.

In October 2010, a domestic accommodation management framework was endorsed to address pressures related to headquarters office space. A long-term accommodation strategy and supporting investment plan for both headquarters and regional offices was completed at the end of March 2011.

Financial Management and Asset Management Services

The department continued to strengthen its financial resource management functions. Investments were made to improve the capabilities of DFAIT's procurement and materiel management and financial management cadre of specialists. New initiatives were also undertaken to enhance financial resource management knowledge and skills at missions abroad.

The implementation of the Financial Management Adviser structure continued in an effort to improve the financial management advice and support provided to branches. The effectiveness of the financial management system was improved through the introduction of a new salary forecasting tool.

Information Management/Information Technology

To ensure DFAIT and its mission partners were provided with continuous worldwide connectivity, the department maintained its communications reliability standard of 99.5 percent throughout 2010-11.

Annual updates to the department's IM/IT strategic plan, based on extensive consultation stakeholders, were issued in April 2010 and February 2011. Work on this plan led to the creation of an IM/IT Investment Committee, a department-wide governing body that has now reviewed all IM/IT spending requests and prioritized them for senior management.

DFAIT's Access to Information and Privacy (ATIP) performance improved significantly over the past year. New requests running late were reduced by 8 percent, and the average time required for internal consultations declined from 110 to 60 days. The departmental ATIP backlog was also reduced by 191,000 pages, and the numbers of ATIP complaints were less than half of those received in recent years.

TBS recognized this progress in the MAF VIII assessment by raising DFAIT's ATIP-related MAF ratings from "Opportunity for Improvement" to a combination of "Acceptable" and "Strong." The department continued to explore options to gather records electronically in order to reduce the ATIP burden on departmental program areas.

Lessons Learned

Internal Audit: Ongoing dialogue between the Chief Audit Executive, the deputy ministers and the Departmental Audit Committee, as well as views presented by external auditors, proved key to improving DFAIT's Risk-Based Audit Plan for 2010-12 and helped achieve a higher level of audit planning and practice in the department.

Recipient audits could benefit from more initial contact to set out financial requirements for major recipients regarding grants, contributions and implementation arrangements.

Evaluation: One of the most challenging aspects of evaluations over the past year was the limited availability of system-wide performance data. Primary data collection was undertaken where possible to address this information gap.

Communications: The department was successful in developing a more active web presence, complementing the more traditional media and communications tools that some units still use. This approach will continue to be applied and adjusted as required in the future.

IM/IT: Consultations that were held during 2010-11 to update DFAIT's IM/IT strategic plan revealed that approximately 40 percent of DFAIT's IT purchases were funded by units within DFAIT that do not report to the Chief Information Officer. This resulted in the creation of the new IM/IT Investment Committee, which is mandated to review, prioritize and coordinate department-wide IM/IT spending to ensure greater alignment of these investments with departmental priorities.

Section 3: Supplementary Information

3.1 Financial Highlights, Charts and Graphs

The financial highlights presented in this *Departmental Performance Report* are intended to serve as a general overview of the department's financial position and operations. These unaudited consolidated financial statements are prepared in accordance with accrual accounting principles and are therefore different from the information published in the Public Accounts of Canada, which are prepared with appropriation-based reporting. The detailed unaudited financial statements of the department can be found at Office of the Chief Financial Officer.²⁰

The charts below illustrate the March 31, 2011, ending balances for each major financial statement grouping, along with the corresponding change from the previous fiscal year, restated.

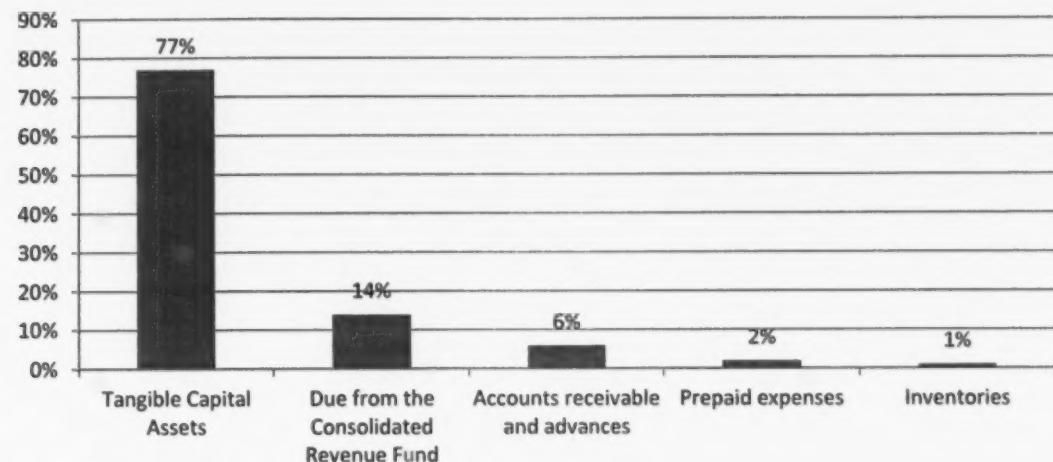
Condensed Statement of Financial Position			
As at March 31, 2011 (\$ millions)			
	% Change	2010-11	2009-10 restated
Total Assets	+5%	1,570	1,497
Total Liabilities	+8%	529	488
Equity of Canada	+3%	1,041	1,009
	+5%	1,570	1,497

Assets

The department's total assets rose by \$73 million (5 percent) to \$1,570 million as at March 31, 2011, compared to \$1,497 million as at March 31, 2010. The department's total financial assets were \$318 million or 20 percent of total assets, while the total non-financial assets were \$1,251 million or 80 percent of total assets. The increase is mainly attributed to a \$45-million increase in tangible capital assets to \$1,214 million from \$1,169 million (the department owns all Canadian diplomatic and consular properties abroad), a \$20-million increase in accounts receivable and advances to \$96 million from \$76 million, and a \$14-million increase in cash due from the Consolidated Revenue Fund to \$215 million from \$201 million, offset by a \$10-million decrease in prepaid expenses to \$32 million from \$42 million.

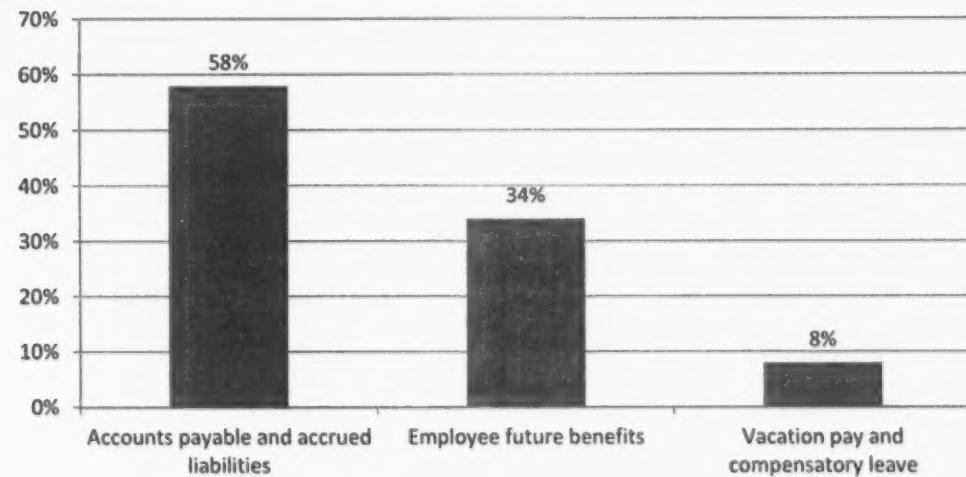
²⁰ www.international.gc.ca/finance/index.aspx

Asset Breakdown



Liabilities

The department's total liabilities rose by \$41 million (8 percent) to \$529 million as at March 31, 2011, compared to \$488 million as at March 31, 2010. The increase is mainly due to a \$34-million increase to \$306 million from \$272 million in accounts payable and accrued liabilities, mostly due to timing differences between when a good or service was received at March 31 and when the payment is issued in the next fiscal year.



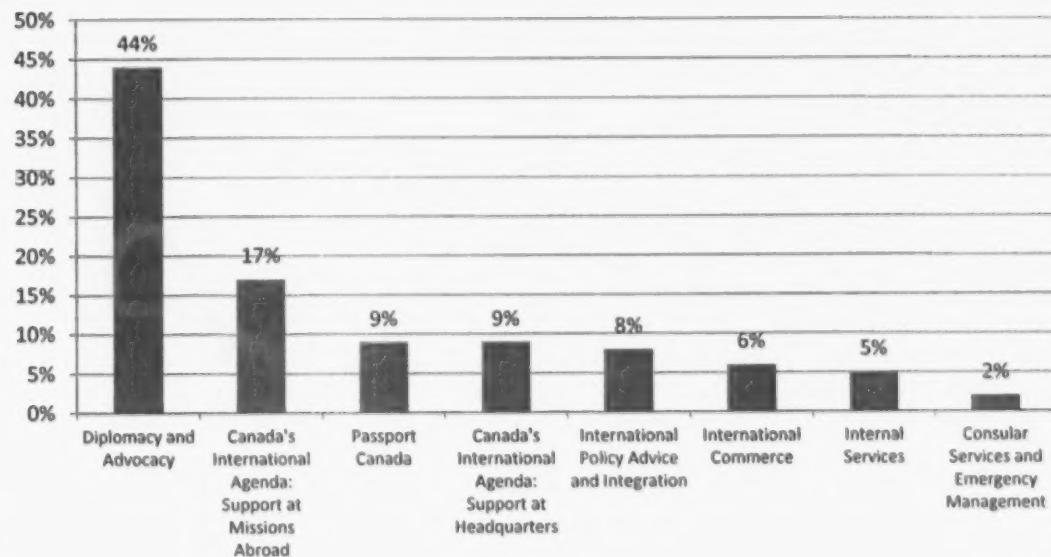
Condensed Statement of Operations For the year ended March 31, 2011 (\$ millions)			
	% Change	2010-11	2009-10 restated
Total expenses	+7%	3,047	2,853
Total revenues	-6%	429	458
Net cost of operations	+9%	2,618	2,395

Expenses

Forty-four percent of the department's expenses went to Diplomacy and Advocacy, and 75 percent of this program activity's funds represent grant and contribution payments. Operating expenses increased due to the need to strengthen security at missions, claims against the Crown, and the government's response to international crises.

Canada's International Platform covers common service operations at missions and operations at headquarters. The expenditures under these program activities decreased, mainly due to one-time funding received in 2009-10 for the Canadian embassy in Kabul, Afghanistan. Passport Canada's expenses decreased as a result of a slight decline in the number of passports issued, which resulted in lower costs. Expenses allocated to International Policy Advice and Integration increased, primarily due to expenses incurred in relation to hosting the G-8 and G-20 summits. International Commerce and Internal Services expenditures changed due to an internal realignment of costs as a result of changes to the Program Activity Architecture. Expenses related to Consular Affairs remained relatively constant compared to last year.

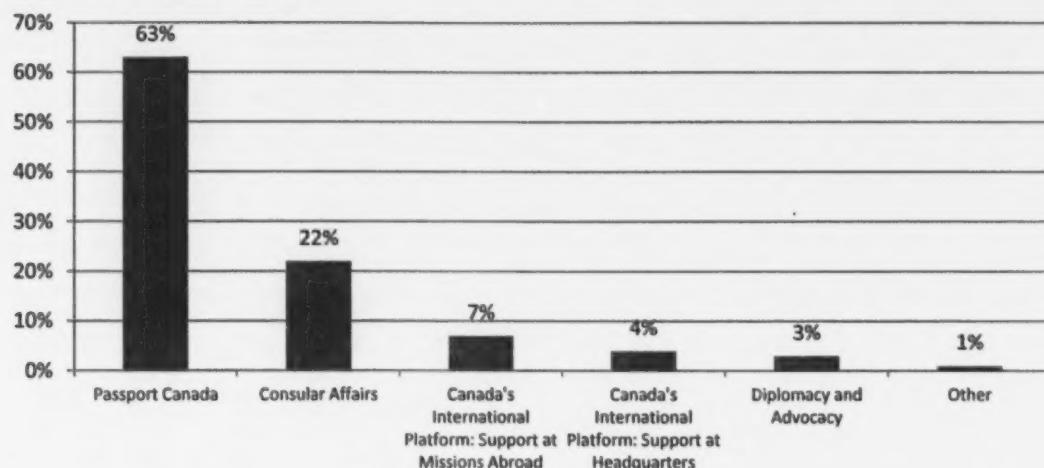
Expenses by Program Activity



Revenues

The department's revenues comprise mostly Passport Canada's passport issuances and Consular Affairs' consular and related fees. Fewer passports were issued in 2010-11 (4.4 million) compared to 2009-10 (4.7 million) due to the implementation in June 2009 of Phase II of the Western Hemisphere Travel Initiative (expansion of the passport requirement for U.S. entry to all land and sea border crossings). Thus, the decrease in the department's revenues is mainly attributed to the decrease in passport issuances.

Revenues by Program Activity



3.2 Financial Statements

The financial statements may be found at [Office of the Chief Financial Officer.²¹](http://www.international.gc.ca/finance/index.aspx)

3.3 List of Supplementary Information Tables

All electronic supplementary information tables listed in the 2010-11 Departmental Performance Report can be found on the [Treasury Board of Canada Secretariat's website.²²](http://www.tbs-sct.gc.ca/dpr-rmr/2010-2011/index-eng.asp)

1.0 Sources of Respondable and Non-Respondable Revenue

2.0 User Fees Act

- 2.1 Access to Information
- 2.2 International Experience Canada
- 2.3 Export/Import Permit Fees
- 2.4 Consular Services
- 2.5 Specialized Consular Services
- 2.6 Passport Canada
- 2.7 Total User Fees

3.0 Transfer Payment Programs

- 3.1 Anti-Crime Capacity Building Program
- 3.2 Commonwealth Secretariat
- 3.3 Contributions under the Global Partnership Program for the Destruction, Disposal and Securing of Weapons and Materials of Mass Destruction and Related Expertise
- 3.4 Counter-Terrorism Capacity Building Program
- 3.5 Food and Agriculture Organization of the United Nations
- 3.6 Global Commerce Support Program
- 3.7 Global Peace and Security Fund and Its Component Programs
- 3.8 Grants and Contributions in Aid of Academic Relations

²¹ www.international.gc.ca/finance/index.aspx

²² www.tbs-sct.gc.ca/dpr-rmr/2010-2011/index-eng.asp.

- 3.9 International Atomic Energy Agency
- 3.10 International Criminal Court
- 3.11 International Labour Organization
- 3.12 International Organisation of La Francophonie
- 3.13 Investment Cooperation Program
- 3.14 North Atlantic Treaty Organization Civil Administration
- 3.15 Organisation for Economic Co-operation and Development
- 3.16 Organization for Security and Co-operation in Europe
- 3.17 Organization of American States
- 3.18 Payments in Lieu of Taxes on Diplomatic, Consular and International Organizations' Property in Canada
- 3.19 Projects and Development Activities Resulting from Francophonie Summits
- 3.20 United Nations Educational, Scientific and Cultural Organization
- 3.21 United Nations Peacekeeping Operations
- 3.22 United Nations Organization
- 3.23 World Health Organization
- 3.24 World Trade Organization
- 4.0 Up Front Multi-Year Funding
 - 4.1 Asia Pacific Foundation of Canada
 - 4.2 Centre for International Governance Innovation
 - 4.3 Forum of Federations
- 5.0 Horizontal Initiatives
- 6.0 Green Procurement
- 7.0 Response to Parliamentary Committees and External Audits
- 8.0 Internal Audits and Evaluations

Section 4: Other Items of Interest

4.1 Organizational Contact Information

Foreign Affairs and International Trade Canada	
<p>Tel.: 1-800-267-8376 toll-free in Canada or 613-944-4000 in the National Capital Region and outside Canada TTY: 613-944-9136 Fax: 613-996-9709 Web: www.international.gc.ca</p>	<p>Enquiries Service Foreign Affairs and International Trade Canada 125 Sussex Drive Ottawa, ON K1A 0G2 Email: enqser@international.gc.ca Media Services: 613-995-1874 Fax: 613-995-1405</p>
<p>Passport Canada, Foreign Affairs and International Trade Canada Gatineau, QC K1A 0G3 Tel.: 1-800-567-6868 toll-free in Canada and the United States TTY: 819-997-8338 or 1-866-255-7655 Web: www.ppt.gc.ca</p>	
DFAIT's Portfolio	
<p>Canadian Commercial Corporation 50 O'Connor Street, Suite 1100 Ottawa, ON K1A 0S6 Tel.: 1-800-748-8191 toll-free in Canada or 613-996-0034 in the National Capital Region and outside Canada Fax: 613-995-2121 Web: www.ccc.ca</p>	<p>International Joint Commission (Canadian Sector) 234 Laurier Avenue West, 22nd Floor Ottawa, ON K1P 6K6 Tel.: 613-947-1420 Reception: 613-995-2984 Fax: 613-993-5583 Web: www.iic.org</p>
<p>Canadian International Development Agency 200 Promenade du Portage Gatineau, QC K1A 0G4 Tel.: 1-800-230-6349 toll-free in Canada or 819-997-5456 in the National Capital Region and outside Canada Fax: 819-953-6088 Web: www.acdi-cida.gc.ca</p>	<p>Rights & Democracy: International Centre for Human Rights and Democratic Development 1001 de Maisonneuve Boulevard East, Suite 1100 Montreal, QC H2L 4P9 Tel.: 514-283-6073 or 1-877-736-3833 Fax: 514-283-3792 Web: www.ichrdd.ca</p>
<p>Export Development Canada 151 O'Connor Street Ottawa, ON K1A 1K3 Tel.: 613-597-8523 TTY: 1-866-574-0451 Fax: 613-298-3811 Web: www.edc.ca</p>	<p>International Development Research Centre 150 Kent Street Ottawa, ON K1P 0B2 Postal Address: P.O. Box 8500 Ottawa, ON K1G 3H9 Tel.: 613-236-6163 Fax: 613-238-7230 Web: www.idrc.ca</p>
<p>Roosevelt Campobello International Park 459 Route 774 Welshpool, NB E5E 1A4 Tel.: 506-752-2922 Fax: 506-752-6000 Web: www.fdr.net</p>	<p>National Capital Commission 90 Wellington Street Ottawa, ON K1P 5A1 Tel.: 613-239-5000 or 1-800-465-1867 (toll-free) TTY: 613-239-5090 or 1-866-661-3530 (toll-free) Fax: 613-239-5063 Web: www.canadascapital.gc.ca</p>